

Sheikh Saad to form government

KUWAIT (R) — The emir of Kuwait Saturday asked his crown prince, Sheikh Saad Al Abdullah Al Sabah, to form a new government, outgoing Planning Minister Saleman Al Mutawa told Reuters. Sheikh Saad's previous cabinet resigned last Tuesday amid charges of incompetence as it struggled to run a country still in turmoil after seven months of Iraqi occupation. The charges stemmed from the government's failure to restore water, electricity and other public services. There was no immediate indication when the new government would be announced. Opposition groups had urged the emir, Sheikh Jaber Al Ahmad Al Sabah, to appoint the new prime minister from outside the ruling family, which has dominated Kuwait for centuries (see page 2). The Emir heads the family and a Sabah has been prime minister since independence in 1961.

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Bush meets Turkish president

WASHINGTON (AP) — President George Bush met with Turkish President Turgut Ozal Saturday to discuss developments in Iraq and prospects for Middle East peace amid a shakeup in Iraq's government. The White House had no comment on Iraqi reports that a new prime minister, Saadoun Hammadi, was named, and Foreign Minister Tariq Aziz was appointed deputy prime minister. "We have no comment. We'll monitor it," said spokesman Steve Hart, who was with the president and Mr. Ozal at the Camp David, Maryland, the presidential retreat outside Washington. Other U.S. officials contacted also refused to discuss the Baghdad report. Mr. Bush and Mr. Ozal spent Friday night at Camp David and had breakfast together Saturday before meeting with their top advisers, including Secretary of State James Baker. Also present was Mr. Bush's national security adviser, Brent Scowcroft, who gave the president his daily briefing on security matters including the situation in Baghdad. Mr. Ozal was expected to give Mr. Bush an update on the rebellion by Iraq's Kurdish dissidents and to discuss ideas for achieving peace in the region.

Aziz delivers message to King

AMMAN (Petra) — His Majesty King Hussein Saturday received a verbal message from Iraqi President Saddam Hussein. The message, delivered by Iraqi Deputy Prime Minister Tariq Aziz, dealt with the situation in Iraq and that country's effort to reconstruct what were devastated by the war. The King and Mr. Aziz also discussed the latest developments in the international arena.

Arabs face serious work — Crown Prince

HIS ROYAL Highness Crown Prince Hassan told the Canadian Broadcasting Corporation (CBC) that Jordan was looking forward to a solution for the Middle East crisis in all its aspects.

In a televised interview, the Crown Prince said he was in Canada to express gratitude to the Canadian government for its support that Jordan received, including \$5 million in financial aid. He said he hoped to maintain dialogue and understanding with western countries.

The Prince said he was hoping to get help for the one quarter of a million children suffering from malnutrition and to discuss many humanitarian issues in the region.

He expressed hope that Canada will not only help Jordan find oil but also more water.

"I think Jordan has many friends all over the world both in governments and political parties. As things stand we have inherited this idea of the G-8 (group of eight) coalition countries but the coalition that fought a war had to build the region and to build peace and it is not

(Continued on page 5)

See page 5 for full text of the speech.

U.N. eases sanctions on essentials to Iraq

UNITED NATIONS (Agencies) — The U.N. Sanctions Committee against Iraq have agreed to allow unrestricted food shipments to that devastated country, described in a U.N. report as suffering "apocalyptic" war damage. But the Security Council's Sanctions Committee agreed only to ease — and not remove — restrictions on fuel, generators, spare parts and other essentials to repair water purification systems, power trucks and make humanitarian aid effective.

Next week the council turns its attention to a mammoth resolution, still being drafted, dealing with such issues as demolishing Iraq's weapons of mass destruction — including chemical, biological and nuclear facilities — and using part of Iraqi oil revenues to pay war damages.

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U.S. Congress passes bill restricting aid to Jordan

WASHINGTON (Agencies) — Congress has approved a bill that cuts off U.S. aid to Jordan but allows the president to restore the funding if it helps the U.S.-led Middle East peace process.

It also passed a measure providing \$15 billion for U.S. costs in the Desert Storm operation and barring arms sales to countries that had not fulfilled their commitments to help pay for the war.

Both bills, compromises between measures passed earlier by the House of Representatives and the Senate, were sent to President George Bush for signature after passage by the U.S. Senate.

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ANZ Grindlays Bank Plc appoints a new general manager

AMMAN — The board of ANZ Bank, Melbourne, Australia, has appointed Mr. Adam Sallakh as general manager of ANZ Grindlays Bank in Jordan.



It is the first time that a Jordanian holds such a very senior position in the bank.



Two days of rains have turned open sewers into small canals in Amman (Photo by Yousef Al 'Allan)

Jordan gets a skyful of rains

By Elia Nasrallah
Jordan Times Staff Reporter

AMMAN — The rains of the past 48 hours have been instrumental in augmenting the underground aquifers and replenishing the reservoirs behind the dams which feed the Jordan Valley agricultural farmland during the dry seasons, according to Dr. Abdul Aziz Wishah, secretary general of the Jordan Valley Authority (JVA).

Dr. Wishah told the Jordan Times that the rain that fell over the past two days was expected to increase to 25 million cubic metres the total amount of water stored behind the King Talal Dam, up from 18 million on February 30.

By Saturday's measurement there were 10.65 million cubic metres of water in the Wadi Al Arah Dam, one million at Wadi Shueib, 1.015 million at Sharhail and 2.5 million at Kafreen.

At the same time, the aquifers must have been replenished in most regions because the rains

fell in all parts of Jordan, said Dr. Wishah.

He said that the storm and the rain had caused damage to agricultural units, mainly in the southern regions around Tafleh and Karak, and washed away part of the crops and some equipment and canals in other areas. According to Dr. Wishah the damages were mainly centred around Ghor Haditha and the southern Ghor region.

The water in the dams is needed for irrigation purposes in the Jordan Valley during the summer season, but the JVA is not pumping any water to the valley farms now since they are fed directly by the rain and the streams from the wadis.

The Public Security Department (PSD) and the Civil Defence Department (CDD) reported closed roads in the southern regions of Jordan as a result of the rising level of water on the roads.

The CDD said that 71 injuries

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Senior Shiite cleric denounces rebellion

Combined agency dispatches

THE MUSLIM WORLD'S most senior Shiite scholar, Grand Ayatollah Abol Qassem Al Khoei, has again denounced anti-government unrest in Iraq, but this time from the Shiite holy city of Najaf, Iraq reported Saturday.

Shiite Iran, accused by Baghdad of fanning unrest, said earlier this week that Ayatollah Khoei had been taken to Baghdad from his hometown of Najaf in southern Iraq where civil unrest flared after the end of the six-week Gulf war.

On Wednesday, Ayatollah Khoei appeared on Iraqi television with President Saddam Hussein whom he praised for crushing the uprising in the south.

"Thanks be to God. God has enabled the president to stamp out this section," he said.

In Saturday's report, INA quoted Ayatollah Khoei as saying after apparently returning to his hometown of Najaf from Baghdad:

"Words cannot describe the warm reception he (President Saddam) gave me and the sympathy and love we showed me."

INA quoted the 90-year-old cleric as again denouncing the "acts of murder and destruction by the mobs."

"No Muslim could do such a thing. We greatly regret that Muslims are being murdered and their property looted. Such acts are forbidden and are crimes unacceptable to any Muslim," he said.

The agency said Ayatollah Khoei met the governor of Najaf and asked him to relay his gratitude to President Saddam for his hospitality and for his efforts to restore security to the riot-hit city.

Baghdad says the southern rebellion has been crushed. Similar unrest has swept the Kurdish areas of north-

ern Iraq and Kurdish opposition abroad says the rebels have seized control of nearly all parts of Kurdistan.

Shiite Iraqi dissidents and Ayatollah Khoei's followers claimed earlier this week the aged cleric had been "kidnapped" by troops to show support to the Iraqi president.

Iran immediately protested to Iraq, accusing it of abducting Ayatollah Khoei from Najaf. It warned Iraq about his physical safety.

Saturday's INA report appeared to be an answer to accusations that he was under arrest and indicated he was back in his hometown.

Iraqi rebels meanwhile claimed they killed senior military officers in an attack on Basra's Sheraton Hotel.

Rebel spokesmen claimed battles had also swept to the capital Baghdad in central Iraq with hit-and-run attacks, and fighting raged in and around northern Mosul, Iraq's third city.

A rebel attack on the Sheraton in Basra was reported by neighbouring Iran's official media which said high-ranking officers of the Republican Guards and Iraq's security service were based there.

"A number of military chiefs were killed, Iranian radio and IRNA news agency said.

Iraqi forces control the war-torn southern port-city, the country's second largest, after regional uprisings flared on March 1.

Exile and refugee sources say Iraqi troops are still fighting Kurdish rebels in northern Iraq after apparently suppressing a parallel rebellion in the mainly Shiite Muslim south.

The official Syrian news agency SANA quoted Iraqi refugees as saying that rebels held the Tahrir suburb of Mosul amid heavy fighting and that many Republican Guards

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Hammadi heads new Iraqi cabinet with Aziz as deputy

Combined agency dispatches

PRESIDENT SADDAM Hussein Saturday appointed a new Iraqi government headed by Baath party stalwart Saadoun Hammadi as prime minister, with Tariq Aziz as deputy prime minister, the Iraqi News Agency (INA) said.

The change in government came amid a rebellion by Shiite Muslims and Kurds in the north and south of the country.

Dr. Hammadi is a Shiite from the sect's holy city of Karbala. At least three members of the new government are Kurds.

The changes apparently signalled a lessening of President Saddam's power since he had served as prime minister himself in the last government, with Dr. Hammadi as deputy prime minister and Mr. Aziz as foreign minister.

INA said that Mohammad Hamza Al Zubaidi, a senior member in the Arab Baath Socialist Party, would also serve as deputy prime minister. It said there would be 24 ministers in the new government.

Dr. Hammadi is regarded as an advocate of political reform and pressed for compromise with Iran long before the war with the neighbouring country ended in 1988.

Dr. Hammadi was one of the few Shiites and Mr. Aziz was the only Christian in the previous cabinet.

Baghdad Radio said all other ministers in the old government were relieved of their duties, but it then announced at least 12 appointments in which ministers held the same posts in the new cabinet.

These included: Ali Hasan Ali

Majid, a cousin of President Saddam, as interior minister; staff Gen. Abd Jabbar Khalil Shamsal as minister of state for defence affairs; staff Lt. Gen. Sadi Tumah Abbas as defence minister, and Hussein Kamel Hassan as minister of military industrialisation, industry and oil (see full list on page 2).

Ahmad Hussein Khudayyir Al Sammarai is the new foreign minister, the broadcast said. He had been chief of the president's office.

Dr. Hammadi also served as minister of state for foreign affairs in the old government and was a member of the ruling Revolutionary Command Council.

He was the speaker of parliament from 1980 to 1989 and was foreign minister in 1973-80. Hammadi is a graduate of the American University of Beirut.

Mr. Aziz, who was a deputy prime minister in the previous government, became well known in the months leading to the Gulf war as chief spokesman for Iraq in the West.

He has been associated with President Saddam since the 1950s in the Baath party in its attempts to overthrow the British-backed monarchy.

Mr. Aziz, from the northern city of Mosul, has long been viewed as one of the chief ideologues of the Baath Party. He was editor of the party newspaper Al Thawra until 1979.

With his widespread contacts with foreign diplomats and leaders, the silver-haired Aziz was regarded as a valuable conduit to the outside world for Iraq.

President Saddam's personal

(Continued on page 5)

Change in Iraq: Step towards reconstruction and democratisation

By Lamis Andoni
Jordan Times Staff Reporter

The writer has just returned from a several-week stay in Iraq to cover the war and its aftermath.

THE FORMATION of a new Iraqi cabinet on Saturday, headed as expected by Dr. Saadoun Hammadi, is apparently meant to be the first step towards power-sharing within the Iraqi political system as a prelude to democratisation.

The new cabinet has to carry out the three difficult tasks of quelling the armed rebellion, reconstructing the war-devastated country but, most significantly, restoring the people's faith in the regime.

Iraqi officials admit that restoring the credibility of the leadership is crucial to the survival of the system and say that they are aware that each official step is received with scepticism by ordinary Iraqis.

In post-war Iraq, many people do not even care to show their

scepticism — whether by voicing doubts or by maintaining total silence. On the day following President Saddam Hussein's speech promising democracy, reporters who were still in Baghdad found it very difficult to get people even to talk about reforms and the president's pledge.

In the traditional Shu'aybiy Souk, as well as the middle class Karadahi area, several Iraqis claimed they had not heard or read the speech. It was a sign of scepticism rather than a statement of fact. A tour around Baghdad on the evening before President Saddam delivered the speech showed that people were glued to their portable radios and television sets — in areas where electricity was restored.

In some neighbourhoods people gathered in street side cafes — which use mobile power generators — to watch the speech on television. People looked very attentive but cautious.

Those who were ready to talk the next day said the same thing:

They welcomed the decision but the leadership has still to back its words with deeds.

Some said that they had heard such promises before and that they would wait and see.

But the people's reaction was obviously influenced by another factor other than scepticism. According to Iraqis themselves, their immediate concern is on how to resume their normal life. The wide devastation and destruction that the intensive bombardment by the allied forces has caused also left behind a deep sense of helplessness and despair.

"It is unfair to expect people to reflect on each word and think rationally when they realise the scope of devastation that was left behind. You have to give people time," one Iraqi analyst said.

But Iraqi officials and analysts admit that the Iraqi people's attitude also reflects the shaken credibility of the regime.

Judging by the debate that preceded the formation of the new cabinet, even some Baathist offi-

cials believed that the appointment of efficient technocrats — rather than merely conformist party members — to ministerial posts and a complete change of the information policy were key to any credible transformation process.

The structure of the new cabinet — which seems to include many unknown technocrats — and the dismissal of Information Minister Latif Nassif Jassem indicate that the reassessment has practically started.

Mr. Jassem, who held his portfolio for more than 10 years, is widely blamed — inside official circles and by the public — for the failure of Iraq's information policy.

Although Baghdad was repeatedly criticised for its approach to the international media, the real problem, according to Iraqi analysts, is that the Iraqi media had lost credibility inside the country and with its own people.

Haamid Said, editor-in-chief of the Baathist Party's Al Thawra

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Palestinian shot dead in W. Bank

OCCUPIED JERUSALEM — Soldiers fatally shot a Palestinian protester Saturday in the occupied West Bank, and an Arab stabbed and wounded a Jewish couple at their front door in a farm north of Tel Aviv.

The violence came as the Israeli government was to weigh police recommendations to limit Palestinian movement into Israel, to try and curb a wave of stabbings that has claimed six Israeli lives in a month.

In the West Bank clash, soldiers shot a 19-year-old youth

who was among activists shouting through loudspeakers to stage protest in Iktaba, a village near Tulkarem, the army said.

The "demonstrator was wounded and died on the way to hospital," an army statement added.

Reports said the youth, who was not identified, was shot after he defied troops' orders to halt, and that curfews were promptly clamped on Iktaba and nearby Nur Shams refugee camp where the youth lived.

The death raised to 810 the

number of Palestinians killed by Israelis during the 39-month-old uprising, according to an AP count.

Another 398 Palestinians have been slain by unknown assailants. The army said Saturday's victim was suspected of involvement in one of these killings.

Sixty-four Israelis have also died in uprising-related unrest.

Among them are 15 killed in a wave of attacks initially staged in revenge for the killing of Palestinians by police quelling stone-throwing protests in Jerusalem in

October.

In Saturday's stabbings, a Palestinian man from the Gaza Strip knocked on the door and then stabbed the Jewish couple inside a citrus farm, 30 kilometres northeast of Tel Aviv.

Police caught the assailant after three farmers pinned him down at the scene, army radio said.

The suspect, a 30-year-old man from the occupied Gaza Strip, also confessed to knifing to death an elderly Israeli furniture salesman in northern Israel Wednesday, police said.

Sharon wants to annex parts of occupied land

TEL AVIV (R) — Housing Minister Ariel Sharon, an influential hardliner, called Saturday for Israel to annex parts of the occupied West Bank and Gaza Strip to prevent the establishment of a Palestinian state.

He also urged the government to disregard international reaction and expel Palestinian leaders in the occupied territories.

Mr. Sharon, of the ruling Likud party, is a vociferous opponent of a 1989 government plan for elections in the occupied territories that would lead to limited self-rule for the 1.75 Palestinians who live there.

"If the government does decide to proceed along its way of autonomy or elections, then Israel will have to take security measures — the most important will be to annex the areas which are settled by Jews," he told Israel Radio.

"By that you prevent the possibility of the creation of a second Palestinian state," he said, reiterating his contention that Jordan is a Palestinian state.

Mr. Sharon said earlier this week that Israel must quicken the pace of Jewish settlement in the occupied territories to counter

"political dangers" after the Gulf war, and confirmed he was boosting housing construction.

He also pledged to double to 20,000 the Jewish population of the Golan Heights, which were "annexed" 10 years ago.

His announcements were seen as an attempt to scuttle U.S. moves to broker an Arab-Israeli peace treaty based on the Jewish state's withdrawal from occupied territory.

U.S. Secretary of State James Baker said earlier this month that Jewish settlement of occupied lands was "de facto annexation" and an obstacle to peace.

Mr. Sharon said new settlements give Israel the "strategic depth" it needs before peace is possible with the Arabs.

"Construction here, having Jewish communities in (the West Bank) only contributes to peace and is not undermining peace," Mr. Sharon told the radio.

"One may move forward in the peace process if Israel feels secure," said the 66-year-old former defence minister who orchestrated Israel's invasion of Lebanon in 1982.

Syria: No talks with Israel without conference

DAMASCUS (R) — Syria has ruled out confidence-building talks with Israel before it quits occupied Arab territories and an international conference is held to solve the Arab-Israeli dispute.

Officials and state-run newspapers say Israel should show goodwill and announce it is ready to withdraw from the West Bank, Gaza Strip and Golan Heights, which it has held for more than 23 years, in exchange for peace.

Foreign Minister Farouq Al Sharaa said in an interview published Friday night there could be no talk about ending the state of war that exists between Israel and all Arab countries except Egypt before Israel ended its occupation of Arab lands.

The official daily Tishreen said: "The ball is in the court of Israel, (which) should prove its goodwill and its alleged desire for peace by announcing readiness to return the occupied Arab territories to their owners... in exchange for peace."

Mr. Sharaa rejected suggestions by the United States and other Western states that Arabs and Israelis could start peace moves by building mutual confidence.

Any talk about ending the state of war or building confidence measures before ending the Israeli occupation is like putting the cart before the horse," Mr. Sharaa said.

He accused Israeli officials of having "a mentality of the Middle Ages," and said Israel would confront the whole world if it refused to accept U.N. Security Council resolutions demanding it quit territories seized in the 1967 war.

Mr. Sharaa's remarks were the strongest comments from Damascus on recent Israeli statements that Israel would keep the Golan Heights and the other occupied territories.

Israeli Prime Minister Yitzhak Shamir has rejected U.S. calls to trade territory for peace, and only last Monday reiterated that there was no question of giving Syria back the Golan.

Pressure for progress on the four-decade-old Arab-Israeli dispute built up during the Gulf crisis, in which Syria — long at odds with Washington but also an old foe of Iraq — contributed troops to the U.S.-led alliance.

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Sharon announces settlement boom

TEL AVIV (R) — Housing Minister Ariel Sharon, defying Israel's American ally, has confirmed that the Jewish state is boosting settlement in the occupied West Bank.

Mr. Sharon, who said this week he planned to double the Jewish population of the occupied Golan Heights, told the Jerusalem Post newspaper his ministry would build 13,000 new homes in the West Bank over the next two years.

Mr. Sharon's announcement, which coincided with a U.S. State Department report on Jewish settlement, was seen as intended to scuttle U.S. moves to broker an Arab-Israeli peace treaty based on Israeli withdrawal from occupied territories.

"Political dangers have caused us to hurry up," he told the Post on why he was accelerating settlement housing construction.

Although it was the first official confirmation of the settlement boom, Mr. Sharon's statement referred to only a portion of some 30,000 housing units detailed in proposals by his ministry which Reuters obtained earlier this month.

The State Department report said some 200,000 Jews now lived on the occupied territories, about 90,000 in the West Bank, 3,000 in the Gaza Strip, 12,000 in the Golan Heights and 120,000 in Arab Jerusalem.

Of the total in the West Bank and Golan Heights, some 3,000

were new Soviet immigrants and 5,830 Soviet Jews had settled in Arab Jerusalem, according to the report prepared for a congressional appropriations committee.

Israeli officials have said that some 10 per cent of the 185,000 Soviet immigrants who arrived in 1990 set up home in Arab Jerusalem.

Since most new housing in the city is going up in Arab Jerusalem, the State Department estimate appeared low and Israeli political sources put the figure at around 12,000 new immigrants.

The Post said the report was requested in anticipation that Israel might make new requests for loan guarantees for immigrant housing.

Washington has already given Israel \$400 million in loan guarantees on condition that they not be used in the occupied territories.

Mr. Sharon has repeatedly said that the housing in the occupied territories is for "veteran" Israelis but some 6,000 West Bank units are listed in proposals by his ministry's immigrant building administration.

Hebrew-language classes have been set up in 11 of the West Bank settlements and at three Arab Jerusalem sites, the report said.

U.S. Secretary of State James Baker visited Israel last week and said he saw new chances for Middle East peace after the Gulf war.

4% of Soviet Jews cross 'green line,' U.S. says

WASHINGTON (R) — About four per cent of Soviet Jews who arrived in Israel last year are living beyond the so-called green line in land taken by Israel during the 1967 war, the U.S. State Department said in a report to Congress released Friday.

The report said about 200,000 Israeli settlers now live in some 200 settlement areas in the occupied territories, including an expanded Arab Jerusalem, and Jews now make up 13 per cent of the occupied territories' population.

The United States has consistently opposed establishment and expansion of Jewish settlements as an obstacle to peace and they have been an irritant in U.S.-Israeli relations.

The settlements issue is expected to become more acute as Israel's population grows rapidly with a large influx of Jews from the Soviet Union.

Washington recently delayed action on issuing \$400 million in loan guarantees to house Soviet Jews while it awaited satisfactory assurances that they would not be used to settle the immigrants in the occupied territories.

In its report, required by Congress in the 1991 foreign aid bill, the State Department said 1.2 per cent of the Soviet immigrants arriving in Israel last year went to the occupied territories other than Arab Jerusalem. The percentage is higher than that claimed by the Israeli government.

Israeli Ambassador Zelman Shoval told Reuters in a recent interview: "The fact is that, as our government has explained, an infinitesimal percentage, less than one per cent, has gone to the territories to settle."

The report said that when Arab Jerusalem was included, about four per cent of the 1990 Soviet Jews were living beyond the "green line."

Israel does not consider "greater Jerusalem" as part of the occupied territories. The conservative government of Prime Minister Yitzhak Shamir has said that Israel will not give up any of the land it now occupies.

The report estimated that about 3,000 of the Soviet immigrants arriving last year chose to live in the West Bank and Golan Heights and 5,830 went to Arab Jerusalem.

Overall, the West Bank settler population continued to grow at an annual rate of about 10 per cent and an estimated 90,000 Israelis lived in about 150 residential communities in the West Bank, the report said.

The population in 12 Jewish neighbourhoods in expanded Arab Jerusalem had grown by 10 per cent since 1983, reaching an estimated 120,000; 15 settlements in the Gaza Strip housed about 3,000 settlers and 12,000 settlers lived in 30 Golan Heights settlements, the report said.

Falasha flow

The United States also said Friday the migration of Ethiopian Jews to Israel had resumed and called on the Ethiopian government to allow all Jews who wished to emigrate to do so without delay.

State Department spokesman Richard Boucher said a charter flight carrying 200 had left Ethiopia for Israel Thursday.

"We're hopeful that the rate of emigration of the Falashas (black Jews) will continue to rise and that no further interruptions will occur. We view this as a positive development and we call upon the Ethiopian government to make it possible for all Ethiopian Jews who wish to emigrate to do so," he said.

The Ethiopian embassy in the United States said this week the migration would resume after a sudden pause at the beginning of this month that gave rise to concern in Israel and the United States.

Iraq reassures U.N. delegation over future of expatriate labour

By P.V. Vivekanand
Jordan Times Staff Reporter

AMMAN — Iraqi authorities have assured the United Nations delegation that they do not plan to adopt any measure to expel expatriate workers in the country, informed sources said Saturday.

The assurance was made last week during a visit to the Iraqi capital by a United Nations delegation headed by Under-Secretary-General Martti Ahtisaari, the sources said.

"Concern over possibilities that the economic problems faced by Iraq could force the government to adopt action aimed at expelling foreign workers to make room for Iraqis was raised by the delegation," said one of the sources.

"The Iraqi government responded that it has no such plans," added the source, preferring anonymity.

Tareq Aziz, who was then foreign minister of Iraq, and several other senior Iraqi officials met with the U.N. delegation, whose main mission was to reassess the extent to which Iraqis suffered by Iraq in the 43-day Gulf war and the urgent needs of the Iraqi people.

It was not clear whether the assurance was made by Mr. Aziz, who became deputy prime minister in a reshuffle on

Saturday, or any of the other ministers who may or may not have found their way to the new government headed by Saddam Hammadi, who was named prime minister.

"The Iraqi assurance has gone a long way in alleviating our fears that a recurrence of the inevitable expulsion of foreign workers from a country hit hard by war could occur in Iraq," said a senior official of an international relief agency.

Full details of the findings of the United Nations mission have not been released yet, except a report submitted by Mr. Ahtisaari which underlined the threat of epidemics and catastrophe facing the Iraqi people in the absence of proper water, food and medicine.

Also expected to be reviewed by the mission was the devastation of Iraq's economic infrastructure — oil and power facilities, industries, communications, bridges, civilian buildings etc. But, as a U.N. official said in Baghdad last week, "the first priority is for the immediate needs of the people."

The query over foreign workers was raised by international organisations, which fear another massive exodus of foreigners from Iraq through

Jordan if Baghdad decided to order a mass termination of the one million plus Arab and Asian expatriate workers in the country in a bid to alleviate the problem of unemployment caused by the devastation and compounded by the demobilisation of army units.

Egyptian nationals, who number between 900,000 and one million, account for the largest expatriate community in Iraq. There are also thousands of Sudanese, Tunisians, Yemenis, Sri Lankans and Bangladeshis.

Some of the Egyptians have either moved towards the Iraqi-Kuwaiti-Saudi border or are moving there to escape the civil unrest in the south of Iraq. No specifics were immediately available, but estimates by international relief agencies put the figure over 10,000, including Sudanese, Sri Lankans and others.

"Several thousand people could be moving towards the border right now as our information indicates," said an international relief agency official. "We are waiting for information to be relayed to us by the International Organisation for Migration (IOM), which is currently visiting Kuwait."

11 new faces in Iraqi cabinet

NICOSIA (AP) — A 24-member Iraqi cabinet appointed Saturday by President Saddam Hussein introduced 11 new faces.

Following is the complete list as released by the Iraqi news agency:

Saadoun Hammadi, prime minister (formerly deputy premier)

Tareq Aziz, deputy prime minister (formerly also foreign minister)

Mohammad Hamza Al Zubaidi, deputy prime minister (formerly transportation minister)

Ali Hassan Al Majid, interior minister (same post)

Ahmad Hussein Khudayer Al Sammarai, foreign minister (new)

Abdul Wabab Mahmud, minister of agriculture and irrigation (same post)

Arshad Ahmad Mohammad Al Zibari, minister of state (new)

Abdullah Fadel Abbas, minister of Awqaf and religious affairs (same post)

Samal Majid Faraj, minister of planning (new)

Staff General Abdul Jahar Khalil Shanshal, minister of state for military affairs (same post)

Mohammad Mehdi Saleh, minister of trade (same post)

Hussein Kamel Hassan, minister of industry, military industrialisation and acting minister of oil (same post)

Omid Medhat Mubarak, minister of labour and social affairs (formerly minister of state)

Ahmad Salam Mohammad Saeed, minister of health (same post)

Mohammad Saeed Kazem Al Shahhaf, minister of state for foreign affairs (same post)

Staff Lt.-Gen. Saadi Tuma Abbas, defence minister (same post)

Hamed Youssef Hammadi, minister of culture and information (new)

Shabib Al Maliki, minister of justice (new)

Hikmat Al Bazzaz, minister of education (new)

Abdul Razzak Kassem Al Hasbemi, minister of higher education and scientific research (new)

Mahmoud Diab Al Ahmad, minister of housing and construction (new)

Majid Abed Jaafar, minister of finance (new)

Ahmad Sattar Ahmad Al Moueni, minister of transport and communications (new)

Usama Abdul Razzak Al Heedi, minister of state for oil affairs (new)

MIDDLE EAST NEWS IN BRIEF

Militias 'selling arms to Soviet Armenia'

BEIRUT (AP) — Lebanon's civil war militias are selling their arms to Soviet Armenia, Zaire and the Palestine Liberation Organisation (PLO), the Beirut magazine said Friday. It quoted unidentified militia sources as saying Lebanese Armenian agents were buying the weapons and smuggling them through secret routes to militias in Armenia. The weekly gave no further details and did not identify any of the Lebanese militias allegedly selling arms. The report also could not be independently verified immediately. Al Shiraa said the sales were prompted by the determination of President Elias Hrawi's government to disband Lebanon's private armies as part of an Arab League-brokered peace plan to end the nearly 16-year-old civil war. "The militias got wind the government is not going to pay more than symbolic prices for their arms after disbanding them," Al Shiraa said.

Muslim group raising money for Iraq

LONDON (AP) — A British campaign has raised more than \$85,000 (\$152,000) for Iraqi citizens victimised by the Gulf war, a fund-raising organiser said. The Iraq War Relief Fund, which started work in early March after Iraq withdrew from Kuwait, has received donations from nearly 1,000 people throughout Britain, said Mansour Ansari, chief coordinator for the effort. Mr. Ansari said he hopes the campaign run by the London-based Muslim Institute will bring in £500,000 (\$894,000) by the end of May. He and four others plan to go to Iraq in June to distribute cash donations to Iraqis. "This is an apolitical campaign we're running: It's a humanitarian campaign, going directly to the people," he said. Using advertisements in Muslim and other newspapers, the relief fund so far has raised more than \$85,000 (\$152,000), he said. The Muslim Institute also has distributed collection boxes in 20 British towns with large Muslim populations, and organised door-to-door collections within Muslim communities, he said.

Pilot lands at pitch-black Beirut airport

BEIRUT (R) — A Middle East Airlines (MEA) pilot landed late Friday at a pitch-black Beirut airport runway after lightning knocked out an aircraft guidance tower and caused a blackout. Abdul Menem Shehadeh, director-general of civil aviation, said the captain of the national carrier on a flight from Frankfurt "depended on his own vision" to find the runway. The power cut forced three other MEA jets from Rome, London and Dubai to change course to Cyprus. They returned to Beirut two hours later after repairs were made.

Ten detained in Istanbul Kurdish march

ISTANBUL (R) — Ten people were detained in Istanbul Friday when police clashed with a group of 300 marchers celebrating the Kurdish new year festival of New Roz, the semi-official Anatolian news agency reported. It said demonstrators carrying sticks and stones attacked security forces, who fired shots into the air to disperse the March in Taksim Square in the central business district. This year the government allowed New Roz festivities, portraying them as part of Turkish tradition. Security forces suppressed them in the past, although there was no official ban. One man was killed in a clash between police and demonstrators in the southeastern town of Nusaybin during a New Roz March Thursday. Elsewhere, police followed orders to keep a low profile even when the new year festival turned into public displays of Kurdish nationalism with displays of the red, yellow and green Kurdish flag.

U.S. official praises Manila for support

WASHINGTON (R) — A U.S. official praised the Philippine government Friday for its support of the United States during the Gulf war and said Washington wanted stronger relations with Manila. Deputy Assistant Secretary of State Kenneth Quinn also repeated warnings that U.S. aid to the Philippines would be cut off if a military coup toppled the Aquino government. "It is important to note that at the height of the Gulf crisis, while the outcome was still uncertain and some were wavering in their support, President (Corason) Aquino and the Philippine government stood solidly with the United States and contributed to the allied effort by sending a large medical team to Saudi Arabia," Mr. Quinn said.

Kuwaiti opposition questions power of Al Sabah family

KUWAIT (R) — Kuwait's opposition democracy movement challenged the power of the ruling Al Sabah family Friday, reflecting public anger over a government failure to restore public services since the Gulf war.

The Sabah family has dominated Kuwait for centuries. The emir, Sheikh Jaber Al Ahmad Al Sabah's head of the family and a Sabah has been prime minister since independence in 1961.

"We call for serious consideration for the selection of a prime minister from outside the Al Sabah family," the Kuwaiti Democratic Forum, an umbrella movement of opposition groups, said in a statement on Wednesday's cabinet resignation.

It said all outgoing ministers, including eight Sabahs who held key posts, should be fired for incompetence because they had failed to defend the country, invaded by Iraq on Aug. 2 and liberated by Gulf allied forces on February 28.

The Democratic Forum said it wanted the Sabahs to be constitutional monarchy but rejected their control of government. The family also dominates business and the public service in the oil-rich emirate.

The direct challenge to the Sabahs marked a toughening of the opposition's demands and was a sign of confidence after the upheavals of a seven-month Iraqi occupation and six-week Gulf war, political analysts said.

International support for democracy in Kuwait and the presence of a large Western press corps has emboldened the government's critics, they said.

The cabinet resigned under widespread criticism for failing to restore electricity, water, telephones, public services and food supplies three weeks after the war ended.

Crown Prince and Prime Minister Sheikh Saad Al Abdullah Al Sabah is expected to announce a new cabinet in the next 10 days.

"It is inappropriate to include any member of the resigning cabinet, which was incompetent in defending the country, in the new government," the Democratic Forum said in the statement.

It called for a broad-based national unity government.

"This government will be entrusted with the task of preparing the country for a new parliamentary life based on the 1962 constitution, reinstatement of political freedoms and...reconstruction," it said.

The forum also demanded the immediate reconvening of the 1985 parliament, dissolved by the emir in 1986, and for a date to be set for new parliamentary elections.

Abdullah Al Nubari, a leader of the Democratic Forum, denied the group was shaking the rule of the Sabah family. "We are just asking them to fulfil their pledge in upholding the constitution," he said.

Asked for comment on Mr. Nubari's demands, Planning Minister Suleiman Al Mutawa said: "It's an opinion and he's entitled to it." He said the forum should define what it meant by a national unity government.

Government officials say the new cabinet is likely to be based on technocrats who can get the country going again. They say the crown prince is unlikely to invite democracy campaigners to join but may bring in members of the resistance which fought Iraqi occupation.

Mr. Nubari said the Democratic Forum believed in women's right to vote and to be electoral candidates — women and many other non-Kuwaiti residents do not have a vote.

He said Kuwait should seriously consider giving citizenship to non-Kuwaitis who had served all of their career in the police force or army but said it was unrealistic to have "an open-door policy of naturalisation."

Kuwait fiercely guards its nationality and a majority of the country's residents before the Iraqi invasion were not citizens.

Referring to reports of attacks on Palestinians by vigilante groups or army elements, Mr. Nubari said: "We think the government is able to control these groups and we think the government is already in control of this situation."

U.S. plans more military aid to S. Arabia, Israel

WASHINGTON (R) — The Bush administration has notified Congress it intends to sell \$919 million in military spare parts and engineering support to Saudi Arabia and to sell another Patriot missile battery to Israel for \$350 million, the Defence Department said Friday.

Pentagon officials said Congress was expected to let the offer become official in 30 days without objection, especially since the Saudi deal did not provide that country with any major new U.S. weapons.

No companies were named in the Saudi proposal but Raytheon Co., which builds the Patriot anti-missile system, would benefit from the sale to Israel.

Several Patriot batteries are already stationed in Israel and the missiles were used to shoot down attacking Iraqi missiles during the Gulf war.

The unit is composed of eight missile-launching stations, 64 Patriot missiles and related support equipment, according to a Pentagon statement.

"Israel needs these surface-to-air missiles to upgrade its air defence capabilities," the statement said.

The unit will be delivered from army stocks, the statement said.

Saudis say oil leaking from Iraq, Kuwait insignificant

RIYADH (R) — Oil is still leaking into the northern Gulf from damaged export terminals in Iraq and Kuwait but the amount is insignificant compared to the massive spills of the Gulf war, Saudi environmental officials said Saturday.

A spokesman for the Meteorological and Environmental Protection Agency (MEPA) in Dhahran said oil was trickling into the sea at a rate of about 100 barrels a day from Kuwait's Mina Al Ahmadi terminal and Mina Al Bakr in southern Iraq.

Both terminals were hit by allied bombs during the six-week war. U.S. planes dropped laser-guided bombs on a pumping sta-

The notification gives Congress 30 days to reject the transfer of the equipment, a Pentagon spokesman said.

The Israelis purchased 1½ Patriot batteries in September. Two additional units — and the U.S. personnel needed to run them — were deployed there after missile attacks began, the spokesman said.

In separate announcements, the Pentagon also said it had informed Congress that it intended to sell Saudi Arabia more than \$900 million worth of supplies and logistical support for its military branches.

The Pentagon said it intends to provide \$461 million worth of spare parts for Saudi land forces, \$300 million worth of repair parts and support equipment for the Saudi air force and \$158 million in services from the U.S. Army Corps of Engineers for the Saudi Arabian Ordnance Corps.

While the Saudi deal is very small compared to nearly \$14 billion in proposed arms for the kingdom, which the Bush administration has put on hold, the Pentagon said it was consistent with U.S. policy to help the kingdom.

Ethiopia expels Libyan, Sudanese diplomats

NAIROBI (AP) — Ethiopia has expelled Libya's ambassador and three other diplomats from Libya and Sudan for activities it says were incompatible with their diplomatic missions.

Ethiopian Radio Friday quoted a Foreign Ministry spokesman as saying the four had been "instructed to leave Ethiopian territory within four days as persona non grata."

The spokesman, who was not further identified, said the diplomats' activities had been found to be incompatible with their diplomatic missions but did not elaborate.

The order affects Libyan Ambassador Khalifa Bazelya and another Libyan diplomat, whose name was not immediately available. Sudanese military attaché Major General Babaker Asar and Sudanese Counselor Officer Sheikh Zaki Al Din, according to Sudan's Charge d'Affaires Abdul Mohmoud.

Mr. Mahmoud, the acting head of Sudan's mission, said the Foreign Ministry told him the Sudanese diplomats had to leave because they "threatened the security of Ethiopia."

Ethiopia and Sudan, which borders it to the west, each unofficially allow the other's rebel groups to maintain offices in their capitals.

The Sudan People's Liberation Army (SPLA), which has been battling Sudan's government for eight years in a southern civil war, operates in Ethiopia's capital Addis Ababa. Ethiopia's Tigrean and Eritrean insurgents work in Sudan's capital, Khartoum.

Ethiopia currently is battling a major offensive by the Eritreans and the Tigreans, who have pushed to within (110 kilometres) of Addis Ababa and have seized two northwestern provinces.

Mahmoud denied Sudan was in any way aiding the insurgents. Both the Sudanese and the Libyan embassies house about six diplomats, said Mr. Mahmoud.

Officials at the Libyan embassy could not be reached for comment.

JORDAN TIMES DAILY GUIDE AND CALENDAR

PRAYER TIMES	
06:13	Fajr
06:39	(Sunrise) Duha
11:42	Dhuhr
15:11	Asr
17:53	Maghreb
19:10	Isha

CHURCHES	
St. Mary of Nazareth Church Swifich Tel. 510740	
Assembly of God Church Tel. 632785	
St. Joseph Church Tel. 624590	
Church of the Annunciation Tel. 657440	
De la Salle Church Tel. 661757	
Terraviva Church Tel. 622366	
Church of the Annunciation Tel. 623541	
Anglican Church Tel. 625343	

625543	Armenian Catholic Church Tel. 771331
771331	Armenian Orthodox Church Tel. 775261
775261	Syrian Orthodox Church Tel. 771751
771751	Armenian International Church Tel. 685326
685326	Evangelical Lutheran Church Tel. 811295
811295	The Church of Jesus Christ of Latter-Day Saints Tel. 815817, 654932

WEATHER	
Bulletin supplied by the Department of Meteorology.	
The country will remain under the effect of the depression which affected the area in the past three days. Therefore, it will be cloudy and rainy at times. The depression is expected to	

USEFUL TELEPHONE NUMBERS	
AMMAN:	
Abate gradually on Sunday in the afternoon. Winds will be westerly fresh, and gusty at times. In Agaba, winds will be northerly moderate and sea calm.	
Min./max. temp.	
Agaba	6/16
Aqaba	14/23
Deserts	7/18
Jordan Valley	12/21
Yesterday's high temperature: Amman 14, Aqaba 21. Humidity readings: Amman 97 per cent, Aqaba 40 per cent.	

NIGHT DUTY	
AMMAN:	

Dr. Abdul Rahman Jaby	775050
Dr. Mohammad Al Awad	741391
Dr. Isam Hawandeh	624830
Dr. Othman Mustafa	774024
Pine pharmacy	661912
Forwards pharmacy	773336
Al Asena pharmacy	637035
Nairokh pharmacy	623672
Al Salam pharmacy	636730
Yacoub pharmacy	644945
Shamsi pharmacy	677660

EMERGENCIES	
Food Control Centre	637111

Civil Defence Department	661111
Civil Defence Emergency	630341
Rescue Police	199
Rescue Police	192, 621111, 637777
Fire Brigade	891228
Blood Bank	775121
Police Security Department	845402
Highway Police	895390
Traffic Police	630321
Public Security Department	603800
Hotel Complaints	661176
Water and Sewerage	897467
Complaints	787111
Complaints	787111
Telephone Information (directory assistance)	121
Overseas Calls	010230
Reprints	623101
Abdali Telephone Repairs	661101
Jordan Television	775111
Radio Jordan	774111

SOS village mothers honoured

AMMAN (J.T.) — On the occasion of Mother's Day, Amman Plaza Hotel held a celebration in honour of foster mothers of 12 orphaned children living at the SOS Children's Village near Amman.

The children together with their foster mothers were treated to an afternoon banquet offered by the hotel and later the children presented a performance before the mothers and presented the mothers with gifts of their own making. The SOS Children's Village management presented token gifts to the mothers in recognition of their efforts to bring up the orphans.

Each of the mothers is responsible for up to nine children giving them family-like life within the village of 12 households. The village is located at Tareq town, north of here.

The SOS Children's Village set up by the Austria-based SOS Children's Village Organisation, was opened by Their Majesties King Hussein and Queen Noor in 1987. The village, the 14th of its kind in the Arab World, has a Vocational Training Centre to train the orphaned children in different crafts; the children also attend classes at the government school in Tareq.

Queen Noor laid the foundation stone for another SOS Children's Village in Aqaba in 1989 and, according to the SOS village management here, the village will open its door for the orphan children by the middle of 1991.

The Aqaba SOS village consists of eight households, a sport complex, a nursery for the children and other services and installations. The orphaned children to be housed in Aqaba will

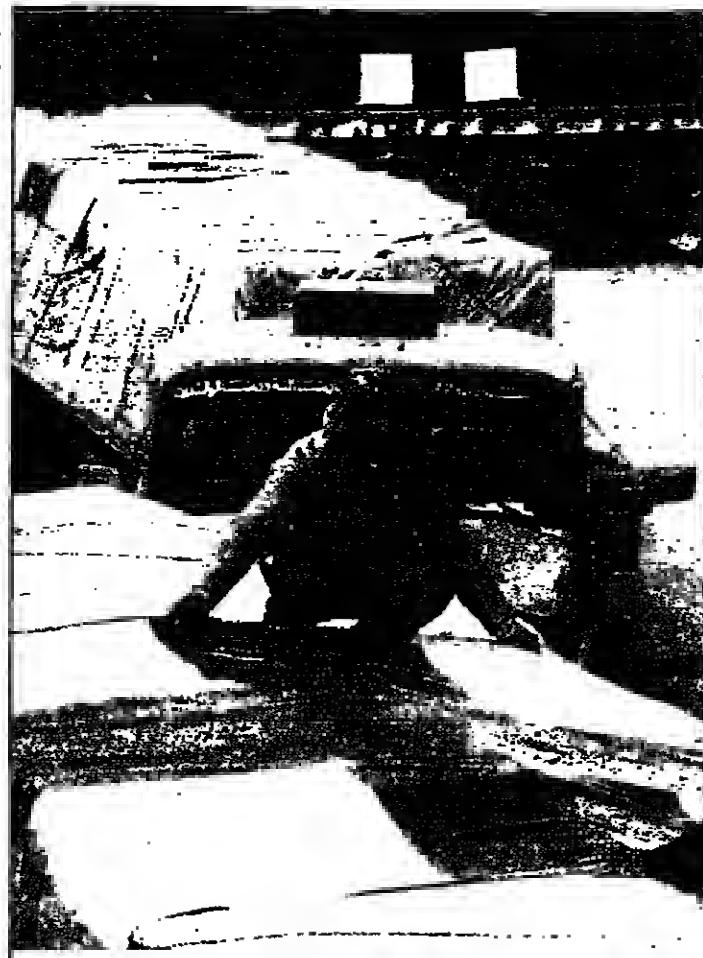
mainly come from the southern regions of the country, the management noted.

The SOS Children's Village is a major project of the Noor Al Hussein Foundation which conducts research on applying new prototypes for national development in the fields of culture, education, human development and social affairs.

The SOS organisation was founded in 1949 by the late Professor Hermann Gmeiner in Austria in response to the tragic situation of children orphaned during World War II.

Today there are approximately 240 children's villages in 86 countries around the world, in addition to some 300 SOS centres, farms, kindergartens and youth houses in the five continents.

The Jordanian SOS village is financed by private donations.



SIXTH ICRC RELIEF AID CONVOY LEAVES FOR BAGHDAD: The sixth International Committee of the Red Cross (ICRC) relief aid convoy left Amman for Baghdad Saturday. The convoy consists of five water tanks which will stay in Iraq to deliver water to Iraqi citizens, one truck carrying 13.5 tonnes of chlorine for sanitation purposes, one truck carrying 5,000 litres of gasoline and three pickups to be used by the ICRC in Iraq. With Saturday's convoy, the ICRC has so far delivered to Iraq 1,200 tonnes of food, 90 tonnes of medical supplies, 236 tonnes of fuel, 30 tonnes of water and sanitation equipment, 30 tonnes of blankets and more than 1,600 tonnes of various relief items.

Management, staff to discuss grievances; strikers agree on demands that should be met to settle the issue

University Hospital work stoppage postponed indefinitely

By Odeh Odeh
Special to the Jordan Times

AMMAN — A three-hour work stoppage which was due to have taken place at Jordan University Hospital in Amman Saturday was postponed again, this time until further notice pending the outcome of the dialogue which the hospital management has decided to open with the staff.

A committee, representing nearly 500 doctors and male and female nurses employed at the hospital, said Saturday that the work stoppage was suspended indefinitely in view of the management's decision to discuss the staff's complaints and grievances in a bid to meet their demands. Last week the staff members held a brief sit-in and scheduled a three-hour work stoppage Wednesday which was put off until Saturday.

The strikers are seeking better pay and working conditions and an end to threats of dismissal from the management, according to a committee spokesman.

President of the Jordan Medical Association (JMA) Mamdouh Al Abbadi and several Parliament members intervened in a bid to settle the issue and, according to the committee, they reached agreement with the strikers that the following demands must be met as they are fair and just:

— Cooperation between the staff and the management on the basis of mutual respect for the sake of reaching a final solution provided that the management does not take any measure detrimental to the staff.

— The management must renew the contracts of the doctors and nurses as of July 1, 1991.

— Doctors and nurses are entitled to free meals, especially if

they are internists.

— The management will study the question of salaries gradually. The doctors' salaries used to be JD 235 a month but were said to have been reduced to JD 175 on the pretext that the hospital faced a deficit in its annual budget.

A spokesman for the management earlier said that the deficit amounted to JD 1.58 million and that the management was in no position to give in to the demands for better pay.

The hospital, which serves as a training hospital for students of pharmacy, medicine and dentistry at the University of Jordan, is in need of assistance from the government which paid the hospital JD 3 million in grants to help it deal with the situation, the spokesman was quoted as saying.

The strikers' action was supported not only by the JMA, but also by other organisations and unions in Jordan.

Funds for the orphans to be invested in projects

AMMAN (J.T.) — The Orphans Fund board has worked out a plan for investing orphans' money in various economic projects during 1991 in a bid to augment the funds at its disposal which amount to JD 23 million, the fund's Director-General Abdul Salam Al Abbadi announced Saturday.

He said that the board had made plans for investment in real estate and acquiring shares in different companies in order to benefit the 30,000 orphaned children whose funds are entrusted with the board.

Mr. Abbadi said that normally the board invests 50 per cent of the total funds in real estate

because they are semi-guaranteed areas of investment, but other projects designed to stimulate the national economy and employ job-seekers are also contemplated.

The fund was established in 1972 when JD 6 million were accumulated in funds for the orphans to jump to JD 16 million in 1985 and JD 23 million in 1990.

According to Abbadi, the fund's board is now turning attention to the industrial and agricultural concerns where only limited investment was made in the past. For this to happen, he said, there is need now for the fund to initiate cooperation with orga-

nizations like the Jordan Cooperative Organisation (JCO) to channel funds for projects in the agricultural fields.

Similarly, he said contacts are being made with major industrial firms to determine areas where funds could be invested.

Out of the profits made from these investments, he said, the board will extend financial assistance to the General Union of Voluntary Societies (GUVS) and will finance the scholarships of a number of needy students.

Mr. Abbadi said that orphans funds were not deposited in banks to earn interest, but in projects to benefit the orphans on a purely commercial basis.

USAID plans aid to Jordan

WASHINGTON (USIA) — The Agency for International Development (USAID) is planning new programmes to assist a number of countries in the post-war Middle East, according to Carol Adelman, assistant administrator of the agency's Bureau for Europe and Near East.

Mrs. Adelman testified on March 20 before the House Foreign Affairs Committee's Subcommittee on Europe and the Middle East on the administration's fiscal year (FY) 1992 foreign assistance budget request. She said the agency hopes to encourage private sector growth and democracy in the region.

The following is the text of Adelman's statement concerning Jordan:

The Gulf crisis has affected Jordan's economy more than any other frontline state. Jordan's balance of payments losses for 1990 and 1991, which may equal up to half of annual Gross Domestic Product (GDP), come from tourism, export earnings, remittances, and transportation services. Unemployment has risen from about 12 per cent last year to now over 30 per cent.

Significant underemployment compounds the problems. Some estimate that a third of Jordanians live below the poverty line.

Industry is operating at 10 to 20 per cent of capacity, and many companies have had to shut down.

There are \$31 million remaining unobligated from fiscal year 1990. If a foreign policy decision were made to move ahead, the Agency for International Development (AID) would use most of these funds, along with most of the FY 91 and 92 funds, levels, to provide financial and technical support to the private sector as the engine of growth and employment generation. This would include a sector support grant to provide quick disbursing foreign exchange resources in support of private sector development. AID would continue loan guarantee programmes for start-up and expansion of small businesses and would assist with management training and technical assistance for improved processing of manufactured and agricultural products for export.

AID would help strengthen business and professional groups and women's groups to increase democratic pluralism, and in addition would provide assistance to improve parliamentary procedures. AID would also continue maternal and child health care programmes, including assistance for expansion of private health care services.

House speaker requests extraordinary session

AMMAN (J.T.) — Speaker of the Lower House of Parliament Abdul Latif Arabiyat Saturday sent a request to His Majesty King Hussein to approve the convening of the Parliament for an extraordinary session to discuss a number of draft laws referred to the House by the government.

Arabiyat said that the House planned to debate national strategies related to water, agriculture, public freedoms and the general political situation in the Arab area.

On March 16, a Royal decree was issued ending the current session of the Lower House of

Parliament in accordance with article 78 of the Jordanian Constitution.

According to the Constitution, the next ordinary session is due in October. However, another Royal decree could convene Parliament in an extraordinary session to discuss specified issues.

The Royal decree was read out in Parliament which last Saturday held its last meeting.

In the ordinary session, which started in October, the Lower House held 33 sessions tackling a number of issues, dominated by the Gulf crisis and the subsequent war in the Gulf.

ILO delegation to present findings to Geneva office

AMMAN (J.T.) — A delegation from the International Labour Organisation (ILO) Saturday wound up a four-day visit to Jordan during which its members met with Minister of Labour Abdul Karim Al Dughmi and other Jordanian officials to discuss the situation in the occupied Arab territories.

The mission members were handed a report on the plight of the Palestinian workers under Israeli rule and the minister spoke in detail about the oppression exercised against the Palestinian people in general and the labour unionists in particular.

Mr. Dughmi called on the ILO to examine the Palestinian workers' conditions and help address

the situation. He handed the mission a detailed report outlining Israel's atrocities against the Arab population, its seizure of Arab-owned land and other property for the establishment of Jewish settlements and acts of deportation and detention of the Arabs.

The mission will compile its own report on the situation to be submitted to the ILO office in Geneva during the ILO general meeting in June this year.

The ILO team also received a report from the Department of Palestinian Affairs of the Foreign Ministry here, tackling the current situation in the occupied Arab territories with special focus on the plight of Arab workers.

Trial of Petra Bank cases expected to start soon

By P.V. Vivekanand
Jordan Times Staff Reporter

AMMAN — A series of cases related to the Petra Bank affair, the biggest scandal in Jordan's banking history, is expected to go on trial before a military court soon, informed sources said Saturday.

"There are enough grounds for 106 different cases involving gross violations of Central Bank of Jordan (CBJ) regulations and the companies law," said a source close to the lengthy investigations.

According to the source, who preferred anonymity, around 30 to 35 people — the bulk of them former employees of Petra Bank which is under liquidation — could go on trial. The Petra Bank cases are the only ones to be tried by a military court after martial law was mostly abolished in Jordan last year.

Prime Minister Mudar Badran told Parliament last year that since the takeover of Petra Bank by the authorities was ordered under martial law provisions in August 1988 the trial of the cases should also be conducted under martial law regulations.

Ahmed Chalabi, the founder and general manager of Petra Bank who fled the country in the second week of August 1988 — a few days after the bank was possessed by the government's Economic Security Committee — figures in almost every case, the source said.

Investigations have found that Mr. Chalabi, who has maintained that he was the victim of a "conspiracy and personal vendetta," and some of his close associates "have contravened almost every law related to commercial banks in Jordan and speculated with Jordanians' money for personal benefits," according to the source.

Mr. Chalabi, an Iraqi national who is now based in London and touted by the Western media as "a leading dissident against Iraqi President Saddam Hussein," ran "a banking empire which operated as if it was beyond any law," commented another knowledgeable source.

"For all practical purposes, it was a one-man show, with Mr. Chalabi in a position to order the firing and hiring of any Petra Bank employee — from a senior branch manager to a floor sweeper — in a matter of minutes," the

source said. Petra Bank was the second largest commercial bank in Jordan until the authorities ordered it possessed by the authorities along with Jordan Gulf Bank in August 1988.

The Central Bank said at that time that Petra Bank had failed to meet certain conditions set by the treasury. Later it also revealed that Petra Bank had also faced grave difficulties in meeting its foreign obligations, thus shaking Jordanian banks' confidence in Jordanian banks.

A management panel appointed by the Central Bank under a mandate from the Economic Security Committee operated the bank until April 1990 when the institution was ordered liquidated and a possible merger between Petra and Jordan Gulf was ordered reversed.

Jordan Gulf Bank has since moved towards merger with another bank after it was decided that the institution could be salvaged.

The total loss of Petra Bank, attributed by banking experts to "gross mismanagement and unsound and unorthodox banking practices," will not be less than JD 300 million as and when the liquidation process will be completed, according to the source. The Central Bank had pumped in money to Petra Bank to keep it afloat until its liquidation was ordered.

At least two key "material witnesses" in the case — Jaafar Aga, a close relative of Mr. Chalabi, who occupied a very senior position at the bank, and Ali Saraf (also an Iraqi), who was the chief foreign exchange dealer — escaped from the country as the investigations were progressing, the source said.

The former general manager of Jordan Gulf Bank, Hassan Abdul Aziz, was arrested in January but was released on bail shortly afterwards, according to the source. "Many others who are expected to be tried were arrested at various phases of investigations and are now out on bail," the source said.

The inquiry into the affairs of the bank was conducted by a special panel comprising local and international experts in various spheres and aspects of banking. The findings were finalised and documented and submitted to the Prime Minister late last year.

Many economists and bankers say the Petra Bank's speculation with foreign exchange had contributed to the sharp loss in value the Jordanian dinar suffered in 1988.

"Jordanians are banned by law from speculating in the international commodity market," a banking expert noted. "But there was an entire floor at Petra Bank which used Jordanians' investments for speculation in the commodity market, including dealings in gold and silver, and also encouraged others to do so," added the expert. "This is only an example of the operations of the bank," he said.

"Many people have lost their money and they were led to believe that the losses were results of massive fluctuations in the commodity market, but in reality the funds were channelled into personal accounts in Swiss banks," the expert said. "Some of the manipulations in the books of accounts are so unique that it took several months before anyone could make any sense of some particular entries."

"Deplorable as they are, some of the operations of the bank have been so smart and rewarding — although for the wrong pockets — that they could give a few tips to some of the financial wizards at the European and American stock markets," he commented.

Among the findings of the investigation panel are "weird unorthodox banking practices such as extending loans with collateral worth less than 10 per cent of the credit," according to the expert.

While there is no law to try mismanagement or unorthodox practices without violating the banking laws per se, Petra Bank was "dealing severe blows to the Jordanian economy" by such actions, he said.

Mr. Chalabi, in telephone calls to the Jordan Times last year, threatened to take the Economic Security Committee to court in the United States, implying that the action could be dropped if a compromise could be reached on his terms. He did not specify his terms.

Central Bank Governor Mohammad Saeed Al Nabulsi dismissed the implied threat and challenged Mr. Chalabi to take the issue to court saying it would offer an opportunity to bring out the facts of the affair into light.

Masri arrives in Algeria

ALGIERS (J.T.) — Foreign Minister Taher Al Masri arrived here Saturday on the second leg of his tour of the Arab Maghreb Union (AMU) countries, carrying a message to President Chadli Benjedid from His Majesty King Hussein dealing with developments in the Arab region.

During the two-day stay here, Mr. Masri will discuss with Algerian officials the general Arab situation and means of ensuring solidarity among Arab countries with the aim of reviving the joint Arab action, according to the Jordan News Agency, Petra.

Mr. Masri, who is expected to be received by Benjedid Sunday, is scheduled to hold meetings with his Algerian counterpart Ahmad Ghazali ahead of the March 30 Arab League meeting in Cairo.

Petra said that the minister would explore prospects of inter-Arab cooperation in the post-war phase and ahead of the Cairo meeting which is expected to be held at the foreign ministers level.

Mr. Masri, who first stopped in Tripoli, Libya, is expected also to visit Tunisia, Morocco, Algeria and Mauritania which, along with

Libya, make up the AMU.

Following his tour of North African Arab states, Masri will go to Syria and North Yemen for similar discussions, according to the agency.

The Arab League meeting in Cairo, the first to be held in the Egyptian capital after the transfer there of the headquarters of the Arab League from Tunis, is expected to tackle many issues facing the Arab World in the wake of the Gulf crisis, which created deep rifts among Arab countries.

HOME NEWS IN BRIEF

King congratulates Pakistan

AMMAN (Petra) — His Majesty King Hussein Saturday sent a cable to Pakistani President Ghulam Ishaq Khan congratulating him in his name and on behalf of the Jordanian government and people on Pakistan's national day anniversary. King Hussein expressed his confidence that Jordan and Pakistan will enhance cooperation. King Hussein wished Mr. Khan good health and happiness and the Pakistani people further progress and prosperity.

Jordan, China discuss cooperation

AMMAN (Petra) — Royal Scientific Society (RSS) President Dr. Hani Al Mulki met Saturday with the Chinese Ambassador to Jordan Mr. Zhang D. Liang. Mr. Mulki briefed Mr. Liang on the establishment and development of the RSS as well as on its scientific and technical tasks. Mr. Mulki and Mr. Liang discussed the possibility of establishing scientific and technical cooperation between RSS and the scientific centres in China. The ambassador expressed his hope that Jordanian-Chinese cooperation will be enhanced in various scientific fields.

Labour committee discusses employment

AMMAN (Petra) — The Labour Ministry's central employment committee held a meeting Saturday under the chairmanship of Minister of Labour Abdul Karim Al Dughmi. The committee discussed the ministry's new employment policy which concentrates on replacing foreign labourers in Jordan with Jordanians and the issue of renewing work permits referred to the committee by the labour offices around the Kingdom.

AEHC receives aid for Iraq

AMMAN (Petra) — The Arab Emergency Health Committee (AEHC) has received medicine and food donations for Iraq presented by the Islamic Relief Society and the World Doctors Society for Supporting Iraq which are based in the Netherlands. Secretary General of AEHC, received Saturday delegations representing the two societies and briefed them on the goals of the AEHC.

Bazaar proceeds to go to reconstructing Iraq

AMMAN (Petra) — Her Royal Highness Princess Alia Bint Al Hussein Saturday opened the annual bazaar of the public service club of the University of Jordan's student affairs deanship.

Princess Alia toured the various sections of the bazaar, which includes embroideries, handicrafts, paintings, woodwork, perfumes, computer deskettes, artificial flowers, children's toys and books.

The proceeds of the five-day exhibition will go to reconstructing Iraq.

The opening ceremony was attended by acting Student Affairs Dean Mohammad Khair Mamsar, several officials and university students.

Princess Alia visited the students' activities complex at the student affairs deanship building and toured the sections of the permanent art exhibitions and the university studio.

Her Royal Highness was briefed by officials on the goals of the exhibition and the studio and their role in developing the talents of the students in artistic fields and in contributing to the artistic and cultural movement of the university and the society.

Indian spiritual organisation helps Jordanian repatriates

By Debbie Lovatt
Special to the Jordan Times

AMMAN — An Indian organisation which bases its efforts on the ancient spiritual values of Hinduism has been quietly working on the sidelines to extend relief to victims of the Gulf war in Iraq itself and in Jordan. On Friday, the organisation, Ananda Marga Universal Relief Team (AMURT), distributed basic foodstuffs to Jordanians who were forced to return from Iraq and Kuwait in the wake of the Gulf crisis and the subsequent war.

One hundred and sixty families from the Amman vicinity were each the recipients of five kilograms of rice, three kilograms of sugar, one large tin of powdered milk, some beans and other essential food items. The quantities were based on estimates of the average monthly consumption of a family of five.

The food was distributed from the basement of a building in Shmeisani and the organisation is hoping to set up a better distribution centre by the time it receives a consignment of medicine and food from Europe in the next few days.

"Our motto is 'service to humanity is service to god,'" said Ramananda Avadutha, director-general of the AMURT, based in the western Indian metropolis of Bombay.



Ramananda Avadutha

in the region to be receiving aid from this organisation. AMURT announced in a press release that "large shipments of medical and food supplies are also being gathered in various AMURT branches worldwide for transport to Iraq and Kuwait."

On Sunday Somali refugees — about forty families in all — will also be the recipients of food and medical aid. The refugees were in an Azraq camp for two months before moving to various places in Amman. They contacted AMURT and requested assistance saying that no other organisation was giving them the immediate assistance they needed.

The United Nations High Commissioner for Refugees (UNHCR), which is technically supposed to be taking care of those who have been given "re-

fugee" status, was not "immediately available for comment on the Somalis' complaint."

AMURT, which was founded in 1962 and has taken part in relief efforts in almost every area of famine, drought and conflict since then, is a non-governmental organisation with over 160 branches worldwide. The organisation's main purpose is to relieve human suffering during and after natural or man-made calamities.

"We care not for different faiths, but for humanity and to teach people and their trouble," said Ramananda (members of the Ananda Marga — which means "path of bliss" — use adopted single names: Avadutha signifies that the person is a member of the group).

AMURT members give five per cent of their income to the mission which otherwise depends totally on voluntary contributions in order to carry out its projects.

In order to serve humanity to the greatest extent possible at Ananda Marga adhere to a code based on physical fitness and mental strength through spiritual elevation. This is achieved through regular daily practice of yoga. All members are vegetarians and strict teetotalers.

"We serve society through remaining in society, not through escapism like those who go to the mountains to be spiritual," said Ramananda, who wears saffron robes — saffron signifies purity of body and soul.

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Changes come with shocks

THE FORMATION of a new Iraqi government Saturday and the talk in the Iraqi media of a new era in the country's political life are very encouraging signs. If anything, it is a positive result of the Gulf war. It certainly is a reflection of the inevitable belief in many Arab quarters that democracy and political pluralism are the best medicines for ailing Arab societies and Arab Order. This democratic trend that for many months now swept through North African Arab states, Jordan, Yemen and now into Kuwait and Iraq is certainly a promising phenomenon that in the grim reality of destruction offers new hope for the peoples of the region.

A democratic Iraq run on a constitutional republic and a multi-national, ethnic and religious pluralism could serve as a model for the other regimes in the region. This is not to say that the task of transferring an authoritarian regime into a democratic one, either in Iraq or elsewhere in the Gulf, is an easy one. A great deal of confidence building among the different groups and factions of the society is a must. Enmity, disaffection and the sense of injustice among Iraq's ethnic and religious factions are immense. The task confronting the Iraqi leadership is a forbidding one. Some might argue that the move is not genuine and only rhetorical. That might be true. But, deeds will determine the outcome. The shock that struck Iraq and its leadership was a tremendous one. It is shocks like this one that bring about profound change. The Iraqi leadership must have realised that its military defeat, and the causes for that, were brought about by a narrow segment of an elite leadership without public and grassroots input.

The Iraqis had indeed started talking about democracy and pluralism right after the end of Iran-Iraq war. The Iraqi leadership was talking about a new constitution as recently as last May. And last month there were newsreports that the Iraqi president had invited exiled Iraqi opposition to share power in post-war Iraq. It is now left to the Iraqi Shiites, Sunnis, Kurds, Turks and the opposition at large to take the opportunity and heed the call for democracy. They must all realise that foreign powers lending support for Iraqi factions are least interested in Iraqi stability. And the Iraqi people, coming out of a devastating war, cannot endure for long the bickering and infighting between different factions vying for power. The peaceful road to power has been inaugurated, everyone is invited to participate in cementing it.

ARABIC PRESS COMMENTARIES

AL RA'I daily Saturday cast suspicion over the coming tour of the Middle East by President Bush, describing it as a further show of power that is bound to increase the bitterness in the hearts of the Arab masses. The paper said that while Bush is making preparations for the tour after Eid Al Fitr, the Arabs are not taking any steps towards joining their ranks and dealing with the coming state in one concerted effort. If the present state of affairs continues, said the paper, Bush will be able to cause further splits in the ranks of the nation, and his tour would be another form of aggression intended to gloat over the miseries of others and the suffering of Iraqi people. But, the paper noted, if Bush aims to give life to the peace process on the Middle East, then he is advised to remember that such move is linked with the implementation of international legitimacy and U.N. Security Council resolutions on Palestine and Arab-Israeli conflict. The establishment of a just and lasting peace in the region is the long-sought goal of the Arab countries, and the implementation of U.N. Security Council resolutions is a moral obligation on the part of the world community, the paper added. It said Bush has to remember that involving Israel in determining the fate of occupied Arab territories and the future of the Palestinian people will be a flagrant violation of the very principles which were followed by the world community with regard to the Gulf issue.

A columnist in Sawt Al Shaab daily renews calls for boycotting the United States as a modest expression of the Arab masses condemnation of the American "aggression" on Iraq. Ahmad Dhiban notes that the Arabs ought at least to boycott American goods to show their resentment of the American policies which are directed against the interests of the Arab Nation, and in reply to Washington's crimes committed against the Palestinians through the Zionist allies in Palestine. It is regrettable to see some Arab states aligning themselves behind American aggression and American Zionist hegemony on the Arab World, but the majority of Arabs ought to put into practice the old slogans of boycotting American goods which have been permeating our markets and our homes, the writer notes. Now that the Arabs realised that nearly 90,000 tonnes of bombs have been dropped on Iraq to kill Iraqi people, they should take some action in expression of their wrath and their indignation, the writer adds. He says that no Arab country took part in the war on the side of the Iraqi people who were left alone to bear the brunt of the aggression, and at least the other Arabs can do this very little part, which is boycotting the American goods. He says that such action can be started by countries which opposed the aggression, but the action would sooner or later spread to the other parts of the Arab World.

Sunday's Economic Pulse

After the war — settling accounts or healing wounds?

By Dr. Fahd Al Fanek

AFTER the Gulf war ended, will the Arab U.S. allies proceed to settle accounts or to heal the wounds? If settling accounts is the name of the game, then wounds will continue to bleed with bitterness, that may take them generations to heal.

From a purely rational view point, the Iraqi leadership should not have allowed the situation to deteriorate into war, first by air and then by land. From a military point of view, the outcome of the war was determined in advance. No one in his right mind should or could have expected Iraq to prevail over 30 countries led by the United States of America in an all out shooting war. In effect, the uncertain aspect of such a war was whether it will be short or long, and whether the American casualties will be light or heavy. After one hundred thousand air raids against Iraqi targets, and explosives equal to five Hiroshima-type atomic bombs, and after six months of air, sea, and land blockade, no one expected Iraq to withstand a land war. All the national will and pride in the world would not have enabled a country deprived of food, medicine, raw materials, spare parts, and all forms of supplies to fight a comprehensive all out war against a formidable coalition.

Yet for six weeks, Iraq fought bravely, struck at Israel, and stood up to the sole superpower in the new post-cold war, a superpower supported by the armies and fleets of 30 countries, and funded by billions of dollars of Arab oil wealth and Japanese and German financial resources.

What followed was the natural result, an astounding victory for the coalition from a military point of view, the destruction of the economic and social infrastructure of Iraq.

However, this result may turn out to be a political disaster for the West in general and for the U.S. in particular.

The cost of the war may be \$100 billion, but the re-building of Iraq and Kuwait may take 10 to 20 years and cost another \$300 billion. For better or worse, the political landscape and the Arab and world

orders will never be the same again.

But what about the Arab countries and leaders who did not join the coalition against Iraq, and stood against the war, and were outspoken in their call for a peaceful solution and in their national Arab feelings opposing foreign intervention. What about Jordan?

Jordan should start to count and assess its short term losses and try to minimise the damages and compensate whatever is not repairable in the short run. Those losses are of economic and political nature.

On the economic side, Jordan may lose all Arab aid for quite sometime. Jobs of most Jordanians in the Gulf state, except for Kuwait, survived the crisis, but Jordanian expatriates remained in a precarious situation. Most likely, returnees from the Gulf labour market will exceed new entrants, and remittances may remain at the current level i.e., below 50 per cent of the pre-crisis level. Recovery of the export markets in the Gulf will be the least difficult step in a long process.

On the political side, the risks could be higher. Jordan's national security has always been based on the strategic balance in the area that at the moment has been shaken. The Iraqi depth and Iraq's ready support in case of an external threat will certainly not disappear, but has been badly weakened.

Jordan has always counted on its positive image and goodwill all over the world, particularly in the West. The question now is whether the international community will betray Jordan on the pretext that it "allied" itself with Iraq.

Jordan's image in Western media is currently mixed. Some senior U.S. officials understand that the alternatives to the present Jordanian regime are not attractive; some, especially less informed commentators, make grim predictions.

Newsweek magazine for instance, says that Jordan is a country with virtually no resources but the goodwill of its neighbours: Saudi Arabia has cut off oil and aid; some Israelis would like to see the regime fall, in favour of a Palestinian state. Jordan's relations with

the West got strained after a speech by His Majesty King Hussein, Feb. 6, which was interpreted as anti-American.

Although the speech was addressed to the Jordanian people, CNN carried it live to the offices of American officials during working hours, and thus the speech drew hasty responses.

It is strange how this speech, was conceptually misunderstood, overshadowing the fact that Jordan was officially against the annexation of Kuwait, continued to recognise the emir of Kuwait, and adhered to the Security Council resolutions even when they were suicidal to the Jordanian economy and took a neutral position in the war.

The King's speech reflected the sentiments of the people. However the King emerged from the Gulf war with huge political gains: more credibility and legitimacy, because he was against the spilling of Arab blood.

From the first day of the crisis, and during the war, Jordan stood by its principles and behaved as a responsible member of the international community. Jordan neither responded to bribes nor to blackmail, and opposed the coalition's intent to destroy Iraq. But Jordan has a crucial role to play in resolving the Palestinian question, reestablishment of Middle East stability, and above all in helping to heal the wounds of the war.

After all, Iraq did not vanish. It will continue to be a major power politically, militarily and economically. Iraq is expected to emerge from the war with deep wounds but with considerable political influence, not only in the Arab street but also in the Arab minds. Jordan is the proper channel for the reconciliation with Iraq and the whole Arab Nation.

In general, Jordan may have shrunk economically, but it has grown in political stature. Even those who lobby against Jordan realise very well that Jordan is democratic, that it has a free market economy, and that it was never involved in terrorism or drug trafficking.

Americans too high-minded to be trusted

By David Marquand

IN the first truly high-tech war in history, the United States has triumphed more completely than at any time since the Union armies crushed the Confederacy. An American war, started by an American president in pursuit of an American objective, has been won, with breath-taking ease, by the crushing weight of American technology. No wonder the Soviet generals are worried.

Overwhelming military superiority went hand-in-hand with overwhelming political pre-eminence. The Arab members of the coalition were American clients. Britain was an enthusiastic American subaltern. Despite numerous moments at the beginning, France ended as an unenthusiastic one. The rest of Europe was out of the game altogether —

divided, confused and lacking in both will and capacity to pursue a policy of its own. The Soviet Union had a policy, but was too weak to make it effective. The uneasy power balance of the cold war era is, in short, in ruins and no new balance has replaced it.

On present form, the much-vaunted new world order will be indistinguishable from a pax Americana. Most British commentators seem to view this prospect with an equanimity bordering on the servile. Bush paid due regard to his allies, they insist; when he ignored them it was because they were wrong. Gorbachev's attempt to mediate was misconceived at best and mischievous at worst: the Americans were right to brush them aside. And because Bush's leadership was benevolent we can safely assume that future American presidents

will be equally benevolent. The last thing the United States wants is hegemony over the rest of the world. We should rejoice that she is selflessly prepared to assume the burdens of leadership which no one else can shoulder.

There is something in it, of course. In the end, military and political power depend on economic power. The pax Britannica of the 19th century was built on the industrial supremacy of Lancashire and the financial supremacy of the City of London at least as much as on the guns of the Royal Navy.

Present-day Americans have no such assets. In the business of wealth creation they are almost as outclassed as we are. It is also true that they are not, by nature, a hegemony-seeking people. They can be screwed up to make short, moralistic forays into the wicked world

beyond their shores, but the thin red line of empire is profoundly alien to their tradition and to their image of themselves.

Unfortunately a bankrupt world policeman, haunted by the sense of economic failure and anxious to compensate for it, may well be more dangerous than a rich and confident one. And, by a familiar paradox of pure-heartedness, the fact that the United States is not naturally an imperialistic or hegemony-seeking nation makes the prospect of a pax Americana more worrying rather than less.

Good policemen are not pure in heart and nor are good world policemen. They know that force has its bitter part to play in human affairs; and because they know this they also know that force should be used sparingly, for limited ends and

in limited ways. Cynical, imperialistic peoples like the British and French have absorbed this bleak wisdom into their bloodstreams, though in this terrible century even they have sometimes forgotten it. The Americans never learnt it.

Because they are pure in heart, they cannot fight limited wars. To fight a limited war would be to concede that the enemy is not utterly evil. And unless the enemy is utterly evil, war is not justified at all.

The savage devastation of the South in the American Civil War, the insistence on unconditional surrender in the World War II and the demonisation of Saddam and dismissal of the Soviet peace initiative in the Gulf war are all part of the same syndrome. In each case, an essentially anti-imperialistic people could be mobilised for war only by convincing itself that the other side was vile beyond compare. In each case the result was that only total victory, bought by total destruction, would do.

Such a people simply cannot be trusted with the overwhelming superiority they now enjoy — not because they are wicked or jingoistic or power-mad, but because they are too high-minded and too convinced of their own moral rectitude for a world painted in shades of grey.

The deepening crisis of the Soviet state has removed the balancing factor of the post-war period. The only conceivable candidate for filling the gap is the still fledgling European Union which is gradually taking shape. It is time to call in the compromising cynics of the Old World to redress the balance of New World moralism — The Guardian.

U.S. official calls for Arab-Israeli cooperation on water

WASHINGTON — President Bush's special mediator for water in the Middle East, Richard L. Armitage, has called on the countries of the Middle East to begin to solve the ominous water shortage problem in the region.

"The water crisis is fully upon us, and nothing — not border disputes, or political aspirations or security arrangements — is more important than securing the elemental conditions of human survival," Armitage told reporters and environmental experts at a March 19 news conference.

Armitage, along with other officials and water experts participated in a Global Water Summit Initiative's (GWSI) news conference, calling for a special Middle East Water Summit to be held Nov. 3-9 in Istanbul. GWSI is a non-profit, policy research and educational group.

In his remarks, the presidential advisor said, "There can be no political glory or gain for those who dither as the crisis worsens, or those who seek to maximise their own tenuous hold on a precious resource without regard for the needs of their neighbours."

"There is something to be said for the proposition that Arab-Israeli cooperation on water matters might lead to cooperation on a broader political front; that technical cooperation on water could be a confidence-building process," Armitage said.

The following is the text of Armitage's remarks:

I would like to commend President Ozal and Dr. Starr for their splendid initiative, and express my delight at being included in a panel of such distinguished individuals. My remarks, quite frankly, will be political in nature. I am certain that my fellow panelists have forgotten more about water management than I've ever known, so I will try to avoid matters that would only define and illustrate my profound ignorance.

For almost forty years the United States has played a helpful role in seeking solutions to the problems of water security in the Middle East. In a very real sense, however, the roles we and the states of the Middle East choose

to play now, as the twentieth century ends, will either validate or make meaningless all that has been done before.

I will focus my remarks on our past, present and future efforts concerning water controversies entangled in the dispute between Arabs and Israelis. Although the American role in this area is one in which the citizens of this nation can take considerable pride, we must now view the issue in a fundamentally new light.

"The water crisis is fully upon us, and nothing — not border disputes, or political aspirations or security arrangements — is more important than securing the elemental conditions of human survival. Any Arab or Israeli leader who fails to recognise and act upon the water emergency afflicting the region is condemning his own society and those of his neighbours to slow and painful deaths."

In 1953 President Eisenhower sent his personal ambassador, Mr. Eric Johnston, to the region to offer the governments of Lebanon, Syria, Jordan and Israel a plan for the unified and comprehensive development of the Jordan Valley. The Eisenhower administration hoped that an irrigation plan covering the entire watershed of the Jordan Valley would alleviate the economic plight of Palestinian refugees without invoking contentious political issues. Indeed, in Ambassador Johnston's words, "I have emphasised that my negotiations related to a programme for the economic development of the area, and I insist that they remain in this context and not be linked with the settlement of any political problems."

As a statement of principle, Ambassador Johnston's was accurate. However, political problems prevented the full application of the Jordan Valley plan. Even though elements — Jordan's King Abdullah Canal being a prominent example — saw fruition, continued Arab-

Israeli disputes over water helped lead to war in June 1967.

Since the time of Eric Johnston the United States has continued to work quietly for regional water understandings. Over a decade ago Ambassador Phil Habib tried to broker an Israeli-Jordanian understanding that would allow the building of a dam by Jordan on the Yarmouk River at Maqarin Station. My own efforts in this regard date from September 1989. If anyone wants

merely as a nonpolitical key that might open political doors. The water crisis is fully upon us, and nothing — not border disputes, or political aspirations or security arrangements — is more important than securing the elemental conditions of human survival. Any Arab or Israeli leader who fails to recognise and act upon the water emergency afflicting the region is condemning his own society and those of his neighbours to slow and painful deaths.

The political constraints that frustrated Eric Johnston and his successors can no longer be regarded as acceptable. There can be no political shame or liability attached to the prospect, and indeed, the necessity of Arabs and Israelis meeting openly and in the full light of day to devise equitable solutions to problems which cannot and will not be solved unilaterally. There can be no political glory or gain for those who dither as the crisis worsens, or those who seek to maximise their own tenuous hold on a precious resource without regard for the needs of their neighbours.

I am confident that the United States will remain fully engaged in this difficult process. Thanks to the efforts of President Ozal, I am confident that we will have partners on this problem, but so must the leaders of the states most affected by its implications. The old rules of the game — indirect communication and the squandering of resources behind boundaries — did not make sense in the 1950s. Forty years later they constitute the precise prescription for disaster. The rules must change. The United States will continue to put forward plans and proposals that the parties are free to accept or reject. The United States will explore and encourage international efforts to focus attention and resources on the problem. What we cannot do, however, is relieve the parties themselves of their responsibilities. We shall see soon enough whether or not the prospect of a new world order will make it possible for Arabs and Israelis to devise new rules for an old game that no one is winning — U.S. Information Agency.



LETTERS

Make complaints

To the Editor

DURING the two years that led up to the June war of 1967, I was a resident in Jordan, working for one of the government departments and during that time, I developed a very close affection for the country and its people. Since the end of my secondment shortly after the war, I have tried, through politicians and the press, to get people in this country to appreciate the difficulties confronting the Arab states in the area, particularly Jordan, in relation to the conflict with Israel.

There have been statements in the British press recently regarding a settlement of the Arab-Israeli dispute. If peace is to be established in the area, a settlement is essential, but it will be an extremely difficult task. Recent press articles in this country demonstrate that the writers do not fully understand the situation that caused the conflict between Israel and the Arab states and how complex it is.

It is currently stated that certain Arab states must end the state of war with Israel, but there is another side to this. In 1918, two Zionists, Ben Zvi and Ben Gurion, published in London an article in June of that year called "Palestine" in which they stated that the boundaries of the Jewish state would extend to the area from the Mediterranean, north to Mount Lebanon, east to the Syrian desert and south to the Sinai peninsula. More recently in 1950, Menachem Begin said in a speech on April 7: "There will be no peace for Israel or the Arabs, even if they sign a peace treaty, unless we free the whole of the homeland."

Both these statements are threatening to those Arab states concerned and have never been rescinded. It is therefore just as necessary for Israel to give up these claims as it is for the Arab states concerned to give up the state of war.

There is one important step the ordinary Jordanian can take to help the situation. When he reads in the foreign press statements originating and object in polite, but strong terms.

May I offer my sincerest wishes for a successful conclusion to the difficult times that lie ahead in getting justice in the Middle East.

Dennis Goodwin.
The U.K.

Looking beyond the Gulf war: Reconciliation and reconstruction

By HRH Crown Prince Hassan

The following is the text of an address delivered by His Royal Highness Crown Prince Hassan at the national conference in response to the Gulf war, held at Tamalpais Institute, San Francisco, on Saturday, March 23.

Mr. Chairman,
Ladies and Gentlemen,

AN OLD Arabic saying declares that "true friendship comes only after a misunderstanding."

There is a perception that Jordan blundered in the recent Gulf crisis and backed the wrong side. My address to you here today is not intended as an intervention that spares Jordan the wrath of its critics and proves them wrong. Whether Jordan was myopic or far sighted in the recent crisis is not particularly valid for me to say. As a related party, whatever I say in this context can be easily misconstrued as either too apologetic, or too critical, towards our long-standing friends in the United States.

Well, I certainly do not intend to argue about who is to blame for the misunderstanding between Jordan and its friends in the United States. But let me say at once that Jordan is not apprehensive about being criticised. To the contrary, democracy is strengthening our belief in Jordan in the value of criticism. But what preoccupies our mind now that the war has ended is: how can we together work hard for a stable peace in the region? Enduring peace is our mission.

Dear friends,

It has been said that "to work towards better times ahead may well be to grope in the dark, to be susceptible either to the false certainty of fundamentalist retreat and future salvation, or to the false pessimism of inevitable doom."

Even if this is a true portrayal of the contemporary history of the Middle East, the question is: How can we work together to change it? How can we achieve progress towards enduring peace without falling victim to the two extreme moods of "salvation" or "doom"?

A first step is to stop questioning motives and to concentrate our minds on those effective and practical moves that can take us closer to enduring peace. After all, it is dexterity rather than motives that is going to achieve results in the Middle East. Progress towards peace in the region cannot be achieved without an active and leading role for the United States.

ress towards peace in the region cannot be achieved without an active and leading role for the United States.

This, I believe, is true in respect of Gulf security, regional economic development for all nations, and the resolution of the Arab-Israeli as well as the Palestinian-Israeli conflicts.

Ladies and Gentlemen,

The United States today occupies a unique position in the world in terms of the responsibilities that it is shouldering, and in terms of peoples' expectations from it. Many of its friends expect from the United States to deal with other regional conflicts within the same international context as in the Gulf crisis. However, it is important that all share in the responsibilities and burdens, instead of expecting the United States to unilaterally solve all conflicts. There are many ways in which its friends can and should contribute and help.

If the credibility of the United States has been affected in certain constituencies, then the challenge is how to strengthen this credibility. All who can contribute should do so because this is an essential pre-requisite for moving towards peace. We are told that the popularity of the United States is, for example, at a low point in the Palestinian occupied territories. In Jordan faced similar situations in the past. The moot point is that we should strengthen our credibility together and not at each other's expense. Jordan is ready to do all what it can to build confidence between all concerned. We have to work with our people in doing so. The moral integrity of our democratic process must be safeguarded. It provides the most solid foundation for durable peace. Needless to say, mutual trust between states can have an effective value only if it is anchored in credibility between governments and their respective constituencies.

The issue of small states within the context of regional security should receive the attention it deserves. What is required is to move towards collective security

that meets the individual needs of small states in the region. Progress must be made from the military defence of a small country (Israel), to the liberation of another country (Kuwait), to the ultimate need to assist in strengthening small countries and beleaguered peoples in standing up for themselves.

Distinguished participants,

In talking about the Palestinian issue, I do not intend to dwell on the terrible pathos or the sense of rage that the Palestinians feel about what is happening to their people and to their cause. Secretary Baker, recently in Jerusalem, has demonstrated how confidence building with the Palestinians can be practically initiated. This is the most effective way for dispelling those extreme moods of "fundamentalist salvation" or "fatalistic doom" that have been gripping our brothers under occupation. Just as the administration strove to prove many of its critics wrong in the Gulf war, what remains to be seen is whether it can also prove wrong those who consider that the Palestinian-Israeli conflict is insoluble or that the time has not yet come for its resolution.

In talking about constituencies, mention ought to be made of the emotions engendered by the destruction caused to Iraq during the war. The suffering of the Iraqi people is felt by the Arabs everywhere. In fact the Gulf crisis has had a Third World dimension that also needs to be healed. Financial compensation to those affected countries is necessary but not sufficient to remedy all those side-effects. A way must be found for the reconstruction of Iraq to commence without delay. The well being and survival of eighteen million fellow Arabs is at stake. The credibility of all Arab governments will be badly shaken if, God forbid, epidemics, starvation and disaster take their toll. The human and territorial integrity of Iraq must be preserved.

Ladies and Gentlemen,

In five months time it will be exactly half a century since Roosevelt and Churchill put together their vision of a postwar order. In August 1941, aboard the "Augusta" off the coast of Newfoundland, they signed the Atlantic charter. As everyone knows, the cold war tragically intervened and frustrated their

hopes for a free, peaceful and secure world.

A few months ago, in November 1990, the leaders of 34 nations finally laid the cold war to rest and signed the "charter of Paris for a new Europe" at the summit of the Conference on Security and Cooperation in Europe (CSCE). Will the "34" of Paris capture what the "23" of the "Augusta" failed to do?

Some may question whether the cold war was in fact laid to rest and may concede just a "melting" in relations between East and West. But of more relevance is the remarks of the secretary general of the United Nations at the Paris summit about the indivisibility of peace and justice. He stressed the reality of linkages between Europe and other regions of the globe where current conflicts "have their origin in actions and circumstances going back to the colonial era." He added that "the North will continue to be seated on a base of clay as long as the South does not enjoy a minimum of well being."

These words could hardly ring more true than in the case of the Middle East. It took fifty years to extend the spirit of peace, security and justice from the "23" to the "34". How long will it be before we realise a "charter for a new Middle East" for the "27" in our region? The 22 Arab states plus the 5 non-Arab states (Iran, Turkey, Malta, Cyprus and Israel)? This remains an open question. But what can be said with certainty is that nobody can afford to waste another half a century.

Mr. Chairman,
Distinguished Guests,

Perhaps a first bold step towards new thinking in our region is the need to "rethink security." The questions of war and peace are inseparable from the questions of demography, environment and ideology. Extensive linkages exist between security, or rather insecurity, and the degradation of people, environment and cultural identity. The abuse of human and political rights, ecocide and the loss of cultural identity are all too readily apparent in the Middle East. A broadly defined security concept, means tackling the root causes of conflict.

In rethinking the meaning of

security, a number of postulates have to be questioned and reexamined. My aim here is not to theorise, but rather to identify a way for breaking-out from the previous well-trodden paths or cul-de-sacs. Not only the military, but also the political and economic route maps must be carefully surveyed to identify an appropriate new path through the existing regional maze.

Many of the road-blocks in our journey are trans-national in their essence. Emphasising the political and economic dimensions of security can help provide a remedial expansion of the tools available to deal with those trans-national issues or road-blocks. Authoritarian regimes and an apparent neglect of festering problems have contributed to the emergence of what has been termed as the "politics of despair." Demographic trends and the widening gap between the "haves" and the "have-nots" have sparked off the "economics of despair." This political economy of despair has led the entire region to an extremely precarious and insecure situation.

Dear friends,

Democratisation, freedom of expression, human rights and the accountability of rulers provide a route towards an alternative political economy of peace and progress. I believe this is the best alternative route towards what I have termed as the three R's: Rehabilitation, Reconstruction and Reconciliation.

Before moving into further details, it should be stressed again that these long-festering conflicts must be tackled by the world community with the same determination and on the same basis as in the case of the recent Gulf crisis. Otherwise, how can rehabilitation, reconstruction and reconciliation succeed if the current situation in Palestine or the Lebanon for example continues? How can we sustain credibility and work together if the political rights and the right of self-determination continue to be denied to the Palestinians?

A number of proposals have been made for a Helsinki-type approach for the Middle East. My purpose here is not to go into their details, but only to observe that all these proposals for a CSCE (Conference on Security and Cooperation in the Middle East) should be included in such a framework. Apart from the dependence of Europe on oil

schemes for regional security nor to divert attention from solving long-standing conflicts. They rather represent an attempt to provide a framework and an environment conducive to diplomatic or political initiatives for dealing with specific problems. It is within the framework of such an approach that I believe we can identify common ground for the three R's.

Mr. Chairman,
Ladies and Gentlemen,

A number of common problems confront regional adversaries in the Middle East. Energy, arms and external debts are challenges facing not only a country such as Jordan, but others like Turkey, Egypt and Israel. This energy/arms/debt triangle also links the Middle East to the 34 states of Helsinki. This group of states is the main consumer of Middle East energy, its main supplier of armaments and its major creditor (with few exceptions such as China, Japan and Brazil).

The moral weight of the Helsinki process can in this way be brought to bear on its neighbours in the Middle East. Such paradoxical side effects as the transfer of armaments from Europe to the Middle East in the wake of the CFE treaty (conventional forces in Europe) must be effectively tackled. Otherwise how can the integrity of the whole process in the Middle East be safeguarded?

As far as energy is concerned, the purpose is not to subjectively refer to "cheap oil" or "expensive oil." Rather it is to evolve an alternative to the highly politicised confrontation between sellers and buyers. "Energy" is conspicuously absent from the 1992 objectives in Europe. The charter of Paris has implicitly recognised this serious gap in striving "we welcome, in particular, practical steps to create optimal conditions for the economic and rational development of energy resources, with due regard for environmental consideration." In fact, the Netherlands proposed at the Paris summit a "European energy charter" to evolve a cooperative framework that assures stable supplies, stimulates Central and East European production and safeguards the environment. It only makes sense that the Middle East (the Gulf as well as the Maghreb) should be included in such a framework. Apart from the dependence of Europe on oil

from the Gulf, there is an increasing level of importation of gas from the Maghreb. Gas pipelines across the Mediterranean already link Maghreb producers with Italy and soon Spain, Portugal and possibly France and Germany.

Concerning debt it is worth noting that all the non-oil producing countries in the Middle East suffer from major external debt problems. These problems are linked in no small way to the preceding issue of armaments.

Unlike Eastern Europe, so far no concept of regional economic stabilisation has emerged for the Middle East. Debt-ridden countries depend on hand-outs and subsidies coupled with IMF structural adjustment and austerity programmes. This approach has increased tensions between the haves and the have-nots in the region and has provided a fertile socio-economic environment for radicalism. A cornerstone of a new debt strategy is arms control. The successful implementation of arms control and arms reduction will release substantial funds that were previously wasted on armaments. Countries abiding by such a process will qualify for the systematic and measured reduction of existing debts (most of which were accumulated through arms purchases in the first place). A cursory look at most indebted nations in the Middle East reveals that most, if not all, would no longer need continuous subsidies if the existing debt overhang is removed (this includes Turkey, Israel and Iraq). The key issue, however, is not the write-off of debts in a vacuum. It should be part of an arms control and reduction package coupled with appropriate economic adjustment policies (stabilisation and structural adjustments).

To assist in this process, a regional debt sinking fund can be set-up by the oil-rich countries in the area to share the burden in the debt reduction process. The application of the arms control process on the oil countries themselves will help release significant resources from their defence budgets.

The second pillar of the proposed debt reduction strategy is a regional socio-economic package. A regional development fund should be established to provide investment capital for those countries implementing stabilisation and adjustment programmes. National and regional infra-

structural programmes should be integrated to the extent possible. Water, energy, transport and telecommunications regional plans should be evolved. These can become the leading sectors in the economic revitalisation of the post-war Middle East. Water, energy and transport can be viewed as the "steel and coal" of a new Middle East community including the non-Arab states of the region. A study by the World Bank has shown that in the past, only 5 per cent of the financial surplus of the oil rich countries was invested in the region. There is a need to evolve a new investment criteria and a new basis for calculating rates of return, to help channel part of the remaining 95 per cent into the region.

To avoid disaster for itself and the world, the Middle East urgently needs a remedial expansion of the tools available to promote interdependence both intra- and inter-regionally. A utilitarian "worked-out rights" approach has to replace the ethical "intrinsic rights" approach before a meaningful cooperative strategy can emerge. What is needed is to institutionalise a new regional development thinking based on mutual gains and interests (both economic and social). Appropriate cost-benefit criteria at the regional level have to be evolved and applied to sectoral projects such as water, energy and transportation. Welfare economics has extensive tools relating to social cost-benefit analysis that can be extended to an intra-regional context. To use economic jargon, what is needed is to identify "externalities" i.e. external socio-economic benefits to the region from particular investments and to "internalise" their effects by transforming the incidental benefit into a product for which a price is charged. This can apply not only to water, energy and transportation but also to education and manpower migration. A number of multilateral agencies (such as the World Bank) can easily provide the technical expertise needed to evolve a new investment criteria for the region. Creative investment plans can, on the basis of such a new investment criteria, transform the existing regional zero-sum game into a scenario of mutual gains and move us together towards rehabilitation, reconstruction and reconciliation.

Prince

(Continued from page 1)

ahead," the Crown Prince said. Later the Crown Prince addressed a forum entitled "Looking beyond the Gulf War: Reconciliation and Reconstruction" at Tamalpais Institute, San Francisco.

The Crown Prince said: "Firmly believing in the value of democracy, Jordan is not apprehensive about being criticised. Opinions differ on whether Jordan's policies during the Gulf crisis were far sighted or short sighted."

Jordan's current preoccupation is to promote stable and enduring peace in the region.

Dexterity, rather than motives, will achieve results. An active and leading role for the United States is a prerequisite for progress towards peace.

Regional priorities are Gulf security, regional economic development for all nations and the resolution of the Arab-Israeli and Palestinian-Israeli conflicts.

The friends of the United States expect it to deal within Middle East conflicts within the same international context as in the Gulf crisis.

We should strengthen our credibilities together and not at each other's expense.

Change

(Continued from page 1)

daily was the first to speak out against the performance of the Iraqi media in an article published in the newspaper two weeks ago. Said implied that the Iraqi media and press misled and disoriented the public, and he called for professional and objective journalism in Iraq.

The lack of the credibility of the Iraqi media is viewed by some officials and analysts to seriously obstruct the reconstruction of the country and efforts to maintain national unity.

"How can we reach out for the people if the media has no credibility," asked one Baathist official. The Iraqi media was mainly criticised for its excessive rhetoric and virtual blackout on some crucial events. For example the media and press maintained total silence for a long time concerning the unrest in the south. As a result, Iraqis were listening to mainly Western radio stations which were carrying the opposition's and the Iranian version of the story.

"Our people are vulnerable to hostile radio stations. This is extremely dangerous in a situation where people could be given to despair by the vast destruction of the country and the psychological warfare that is waged against

Iraq," the party official noted.

In his speech last week, President Saddam pledged to allow freedom of the press as part of a comprehensive democratisation process.

Officials said later that Baghdad would adopt a new and open information policy which would also include a shift in attitude towards the international media.

They predicted then that Mr. Jasssem would not remain in his post despite his historic and close friendship with President Saddam. But the Iraqi media's failure was not the only shortcoming exposed by the military defeat. Many in Baghdad are critical and have lost faith in the many supposedly popular organisations that were part of the vast apparatus of the Baathist Party.

From the very first day of the war, there was no visible or tangible role for the party's organisations, which, in theory, aimed at maintaining a link between the leadership and the people. Many Iraqis concluded that these organisations — those of women, youth, students and trade unions — were paralysed by bureaucracy and lack of initiative. The result,

according to one Baathist activist, was an increase in the feeling of alienation from wide sectors of the public.

These realisations, analysts concede, are expected to lead to a thorough reassessment of the role of the Baathist Party in the government — if the system survives.

Syria

(Continued from page 1)

Mr. Sbaraa said President Hafez Al Assad told U.S. Secretary of State James Baker, who toured the region this month, that a comprehensive settlement of the Middle East dispute required an international conference.

He said Mr. Baker did not bring any specific plan. But Syria and other Arab allies in the Gulf war believed that Mr. Baker had made "a serious start" by suggesting a comprehensive solution should be based on U.N. Security Council resolutions and the principle of exchanging land for peace.

Rains

(Continued from page 1)

and at least one death were reported in the past 48 hours resulting from the bad weather conditions.

A report in the local press said that 38-year-old Safi Mahmoud from Basira, near Tafelbeh, died drowning in a stream near his town. The report said that a number of roads and bridges had been washed away in the Tafelbeh region and that rocks and accumulating silt blocked roads at Ain Al Badia.

According to a report by the Meteorology Department, the Karak and Tafelbeh districts received more rain than other areas, with 120 millimetres falling in some parts in the past 48 hours.

The department forecast further rain Saturday evening and Sunday morning and said that the weather will begin to break by Sunday afternoon. The temperatures range from six degrees Cel-

tigrade to 15 degree Centigrade during the day on Sunday, the department said.

Congress

(Continued from page 1)

furnishing assistance to Jordan would be beneficial to the peace process in the Middle East."

"Both the administration and Congress were disappointed by the political positions taken by the Jordanian leadership in support of Iraq during the Gulf crisis.

This led us to suspend assistance to Jordan while we review our programmes with the country. Jordan's actions were particularly disappointing for the Department of Defense, which has had a long, close and useful relationship with the Jordanian Armed Forces for more than 30 years. We believe that this relationship has served U.S. interests and, at the right time and under the correct circumstances, we expect to begin again, given Jordan's position

and role in the region, we believe this is the responsible course to take.

Cleric

(Continued from page 1)

were joining the opposition. Hundreds of people had been killed or wounded in the north by government shelling and bombing attacks, they said.

Syrian radio said that rebels in Kirkuk, a major northern oil centre, had taken control of oil wells, a provincial headquarters and a radio and television building.

Opposition sources also claim the Iraqi capital is placed under a state of siege after the government got word of a coup plot whose organisers were not known. There was no confirmation of this from Iraqi media.

Hundreds of Iraqi exiles marched through Damascus Saturday to urge world support for the rebels. As the Iraqi exiles demonstrated in the Syrian capital, refugees reaching the border city of Hassaka confirmed fierce fighting in Mosul.

An Iraqi newspaper accused Iran of plotting against Iraq and repeated Baghdad's charge that Tehran was

behind the Shiite revolt. Al Jumbury did not name Iran but Iraq's Shiite neighbour and former enemy was clearly the target of its editorial.

"Many Arabs and Muslims may have been deceived by the public stands of this neighbouring country, including its proclamation of neutrality in the Gulf war and its denunciation of any attempt to destroy the Iraqi people," it said.

"It seems they had drawn up their plans with great care and waited for the right moment to pounce on Iraq," it added.

Iraq

(Continued from page 1)

secretary Hamid Youssef Hamadi was appointed culture and information minister, replacing Latif Nassif Al Jasssem, who held the post since the last major reshuffle in 1979.

Mr. Jasssem was one of President Saddam's closest aides, no reason was given for his sacking. Brothers Ab Hassan Al Ma-

jeed and Hussein Kamel Hassan, President Saddam's cousins, retain their key positions at the centre of Iraq's power structure.

Mr. Majeed was appointed earlier this month as interior minister to clamp down on the unrest.

Sanctions

(Continued from page 1)

warranted dropping the need to give advance approval to all humanitarian food shipments.

Instead, the committee, which has the same membership as the 15-nation Security Council, will only have to be notified that food is being sent. Related non-food items, such as fuel to distribute supplies, pump water, pump sewage and irrigate crops, will be approved virtually automatically unless a specific objection is raised.

Planes will also be allowed to deliver these supplies, subject to advance notification.

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Suspension of coffee exports by top producer baffles market

SAO PAULO, Brazil (R) — Brazil, the world's biggest coffee producer, sent coffee markets gyrating Friday with a series of surprise announcements that left traders baffled as to the government's long-term intentions.

In New York trading, coffee for May delivery closed down 1.95 cents at 98.05 cents a pound. It had soared five cents to \$1 a pound on news that Brazil was suspending coffee exports while it studied a return to international exports quotas to push up prices.

A worldwide surplus of coffee and a big sell order on the New York market pushed prices back down.

Coffee also erased gains after the Brazilian economy ministry official in charge of coffee said that Brazil intended to start exporting coffee soon.

In a surprise move late Thursday, Brazil said it was halting coffee exports and considering ways to revive export quotas to control free-market supplies.

But coffee traders greeted the Brazilian move with scepticism. "Can Brazil really be serious about going back to a pact?" one

trader asked. "It's pretty hard to believe."

The country was blamed in 1989 for torpedoing an existing agreement by refusing to cede any of its 30 per cent market share. The breakup of the coffee pact caused a free-for-all in coffee sales that depressed prices.

In the year after the price supporting agreement collapsed, coffee producing countries lost about \$4 billion, according to International Coffee Organisation (ICO) officials.

The world is awash in coffee beans. Inventories of 30 million bags represent nearly half of the 60 million bags consumed yearly.

Jorge Cardenas, president of Colombia's National Coffee Federation, the world's second-largest producer, said he was astonished by the Brazilian announcement.

"Colombia has had no sign from Brazil about an eventual dialogue over quotas," said Cardenas, adding there had been no discussions between producers and consumers that might allow an agreement leading to a new accord in the short term.

Colombia has traditionally been in favour of a regulated coffee market such as existed before 1989.

So far there has been no official comment from the London-based ICO on whether it intends to hold an extraordinary meeting to discuss the return of quotas.

"It is up to Brazil to request such a session. Otherwise we will wait until the next executive board on May 2-3," said C. K. Goli, a representative of the Ivory Coast coffee industry.

The current ICO pact is scheduled to expire in September 1992, but is now purely administrative following the collapse of the export quota system in July 1989.

Rumours of insider trading in the coffee market followed Brazil's announcement that it was halting coffee exports in a bid to shore up depressed prices.

Commodity trading sources in New York said the trading records of at least one brokerage operation were expected to be reviewed by the compliance department of the coffee, sugar and cocoa exchange.

U.S. government sinks deeper in debt

WASHINGTON (AP) — The government sank \$26.1 billion more in debt in February, but the month's red ink was 29.9 per cent less than during the same period of fiscal 1990, the Treasury Department has said.

The additional debt in February followed a \$1.76 billion surplus in January and boosted the deficit to \$110.6 billion for the first five months of the fiscal year.

The total so far this year is 13.4 per cent more than at the same point in fiscal 1990.

The Bush administration projects this year's gap will reach a record \$318.1 billion, up from \$220.4 billion last year and \$97.7 billion above the previous record of \$221.1 billion set in the fiscal year ending Sept. 30, 1986.

Revenues in February included \$8.9 billion in allied contributions to offset U.S. expenses in the Gulf war, the report said. Those contributions total \$14.2 billion during the fiscal year that began Oct. 1.

America's major allies have pledged \$54.5 billion to help the United States pay for the war. The Senate Appropriations Committee said the allies have deli-

vered \$25.6 billion so far.

Although the treasury statement does not break down spending for specific purposes, overall defence spending was up 6.3 per cent, to \$124.1 billion, during the first five months of fiscal 1991 compared with the same period last year.

Receipts in February totalled \$67.7 billion, 3.7 per cent above those of the previous February. For the year so far, revenues were \$417.8 billion, up 6.2 per cent from the same period of fiscal 1990.

Spending in February totalled \$93.7 billion, 6.6 per cent less than in the same month last year. Outlays so far this fiscal year reached \$417.8 billion, 7.7 per cent more than was spent during the first five months last year.

As usual, the biggest spending categories were the military, social security and other programs of the Department of Health and Human Services and interest on the national debt.

Military spending totalled \$24.9 billion in February and \$124.1 billion so far this year. It is projected to total \$287.5 billion for the entire fiscal year.

Saudis reckon oil output near to capacity needed in late 1991

LONDON (R) — With Saudi Arabia expected to call the shots at OPEC talks in June, the organisation's production level could head back towards full capacity for the second half of 1991.

"We see demand for OPEC oil averaging close to 23.5 million (barrels per day) in the second half of 1991," a Riyadh-based oil industry source said.

"We're going to have a tight market... the gap is very small between OPEC production capacity and demand," he added.

Peak OPEC production, seen last December, was 23.54 million barrels per day (b/d). In February, output fell to 22.85 million b/d and ministers meeting in Geneva last week decided on a 22.3 million b/d bid on output for the second quarter.

Two numbers, both written in Riyadh, dominated the Geneva talks: One marking a floor on Saudi production and another estimating second quarter demand.

Saudi Oil Minister Hisham Nazer ruled out any cut in Saudi output below 8.0 million b/d, while his economists gave a second quarter demand estimate of 22.4 million b/d OPEC oil.

The demand figure was well above those put forward by any of the other 12 members of the

Organisation of Petroleum Exporting Countries (OPEC) but still won the day.

"They (the Saudis) are going to do whatever they want to do. Why don't they just send us the figures (for June) and we can all go home," remarked an OPEC source looking ahead to the group's summer conference, set for June 4 in Vienna.

The conference might look only at production policy up to the end of September, in which case Saudi estimates, thought to put demand at about 23 million b/d in the third quarter and around 24 million in the fourth, could be crucial.

If the second quarter passed without any collapse in prices on world markets, Saudi Arabia would not need to cut output, a Gulf Arab industry source said in London.

"There will be no decrease," added the Riyadh-based industry source. "Saudi production will be eight million and above."

This would imply minimal expectations that Kuwait and Iraq would return to the world oil market in the near future after the damage caused by the Gulf war.

"Nobody knows exactly when they will start exporting again but we don't think there will be a

sudden return," the Riyadh source said.

The state-owned Saudi Arabian Oil Co. (Saudi Aramco) forecasts production levels of eight million b/d this year, eight million next and 7.5 million by the end of 1994, another Saudi-based source said.

Meanwhile, Saudi Arabia is pursuing a drill-and-build programme aimed at lifting production capacity from around 8.5 million b/d to 10 million by 1994.

Sources said a return to capacity of 10 million b/d, not seen since the oil shock that followed the Iranian revolution in 1979, appeared to be both a political and an economic goal.

But planners at Saudi Aramco's Dhahran headquarters figuring on lower output after 1992, could be assuming that Iraq and Kuwait would begin to recover oil export capacity by then.

"Anything could happen between now and then... the most obvious imponderable is the question of Soviet oil production," said a U.S. oil company executive.

The latest edition of Petroleum Intelligence Weekly, the New York-based industry newsletter, said oil exports were running at 1.5 million b/d, about 700,000 b/d below 1990's average.

Denmark, Sweden sign agreement on bridge link

COPENHAGEN (R) — Denmark and Sweden signed an agreement Saturday to build a road and rail bridge between the two countries.

The agreement, signed by Transport Ministers Kai Ekest of Denmark and Georg Andersson of Sweden, was a milestone on the way to realising a century-old dream to bridge the Oresund Strait leading into the Baltic Sea.

The bridge and a tunnel near Copenhagen's Kastrup Airport, will cost around 11.7 billion Danish crowns (\$2 billion) which will be repaid through user tolls.

Infrastructure projects at each end will cost Denmark some 3.2 billion crowns (\$545 million) and Sweden two billion crowns (\$340 million).

Construction is due to start in 1993 and is expected to be completed around the turn of the century.

Numerous Danish environmentalist groups complained the project was approved before adequate studies were done on the effect of the bridge on seawater and marine life.

China to introduce new tax law for foreign companies

BEIJING (R) — China is set to unveil a new tax law that will simplify taxes on foreign companies, putting most under a flat rate.

According to a copy of the draft law obtained by Reuters, most foreign businesses would pay a flat levy of 30 per cent on income, plus a three per cent local tax, after deducting overhead, expenses and losses.

The draft law is to be discussed and approved at the upcoming meeting of the National People's Congress, China's parliament, which begins March 25.

Foreign equity joint ventures

which have Chinese partners already pay tax at this rate while wholly-owned foreign firms now pay on a graduated scale as high as 55 per cent, accountants and diplomats said.

"The idea is to equalise the amount to taxes all foreign companies pay," a diplomat said.

"They want to consolidate tax regimes and make them more attractive."

The new law includes exemptions for foreign companies engaged in certain fields and regions. Firms operating in China's special economic zones will retain a preferential 15 per cent tax rate. Manufacturers in coastal open

areas will face a 24 per cent tax rate, compared with 20 to 40 per cent under the existing law.

Companies in certain industries, including mining, forestry and scientific technology, in operation in China for 10 years or more can apply for a tax exemption in their first two profit-making years. In the following three years they can obtain a 50 per cent reduction in the tax rate.

The law contains provisions to eliminate double taxation so that companies can deduct some taxes paid overseas.

The tax law will be effective from July 1, the draft said.

Radio-Canada to cut staff, programmes

MONTREAL (R) — Radio-Canada International said Friday it will cut nearly half its staff and overseas broadcasts in seven languages because of a government decision to slash its budget.

Ninety-three of the 193 staff will be laid off on April 1, said spokeswoman Jane Organ. The service will eliminate half of its foreign language broadcasts to Europe, Asia, Latin America and the Middle East. It will retain the English, French, Russian, Ukrainian, Arabic, Chinese and Spanish services but seven others, including the Polish, German and Japanese, will be cut.

The MOC official said that while the spot price of oil has been falling since January, it normally takes two to three months for oil shipments to reach Japan and so the impact of cheaper oil would not be felt until next month at the earliest.

Imports of other products, however, were lower. Art imports were off 63.1 per cent while pulp imports fell 32.3 per cent.

Greek bank fined record \$8 million

NEW YORK (R) — A Greek-owned bank was fined a record \$8 million Friday after pleading guilty to what U.S. authorities called one of the largest non-drug-related money-laundering schemes ever uncovered in the United States.

The National Mortgage Bank of Greece pleaded guilty in court in Brooklyn, New York, to 26 counts ranging from conspiracy to violating currency and banking regulations. "This bank assisted people who wanted to evade taxes, in as many ways as it possibly could," said assistant U.S. attorney Andrew Luger.

"The bank turned tax evasion into a way of life in this institution," the bank was charged with setting up a scheme from 1983 to 1989 in which it solicited cash deposits from Greek-Americans with the promise that the deposits would be kept secret from the Internal Revenue Service.

Strong exports widen Japan's trade surplus in February

TOKYO (R) — Strong demand for Japanese products abroad overcame the impact of higher oil prices to widen Japan's merchandise trade surplus in February.

The nation's customs-cleared trade surplus widened to \$5.09 billion in February, without being adjusted for seasonal factors, from a revised \$4.97 billion surplus a year earlier, the Ministry of Finance (MOF) has said.

"The trade surplus is on a rising trend," said Kazuko Mizuno, economist at Baring Securities (Japan) Ltd.

"We are seeing the continued strong trend in exports widening the surplus," he said.

Exports climbed 13.3 per cent to \$24.94 billion in February from a year ago, led by increasing demand for Japanese goods in Europe and Asia. Economists said export growth

has been strong because many of the products sent overseas in February were ordered about six months ago when the dollar was stronger against the yen, thus making Japanese goods more attractive to foreign purchasers.

The average dollar rate for exports in February was 130.93 yen against 144.98 a year ago, the MOF said.

Exports to Asian nations increased 27.6 per cent to \$7.81 billion while those to European Community (EC) expanded 22.4 per cent to \$5.27 billion.

Electrical machinery and semi-conductors continued to be among Japan's hottest selling products overseas.

Overall imports, the other side of the trade equation, climbed 16.5 per cent in value to \$19.84 billion from their year-ago level, largely reflecting the higher cost

of imported oil, economists said. The MOF official said that while the spot price of oil has been falling since January, it normally takes two to three months for oil shipments to reach Japan and so the impact of cheaper oil would not be felt until next month at the earliest.

Imports of other products, however, were lower. Art imports were off 63.1 per cent while pulp imports fell 32.3 per cent.

Imports of other products, however, were lower. Art imports were off 63.1 per cent while pulp imports fell 32.3 per cent.

Banks in Kuwait expect big rush of clients today

KUWAIT (R) — Thousands of Kuwaitis are expected to jam banks when they open Sunday for the first time since the end of the Iraqi occupation.

Customers will be allowed to withdraw funds to swap pre-invasion money for a new currency issued to make worthless more than a billion dollars worth of pre-invasion dinars.

"We expect a rush of people," said Issam Al Asousi, head of the branches division of the Bank of Kuwait and the Middle East.

He said banks could be chaotic in the first week of business because customers had a lot of questions about their accounts.

"We have prepared for everything. We have a special team to give all this information to customers before they enter. We hope we will succeed," Asousi told Reuters.

"It will be bedlam," an expatriate bank worker predicted, saying clients could have complaints about the new regulations.

Kuwait banks continued operating during the seven-month Iraqi occupation under managers brought in from Iraq.

They have been closed since the U.S.-led alliance ousted the Iraqi army from Kuwait a month ago, leaving the emirate devastated and without water, power or telephones.

The banks, using generators to power their computers, will exchange pre-invasion Kuwaiti dinars for the new currency.

Customers will be able to withdraw up to 4,000 Kuwaiti dinars (about \$14,000 at pre-invasion exchange rates) from their accounts and to exchange a like amount for foreign currency.

The banks will effectively ignore the seven months of Iraqi occupation. Balances of customers' accounts will go back to what they were on Aug. 1, a day before the invasion.

Clients will not be able to exchange Iraqi currency issued during the occupation when Baghdad pegged the rates of the strong Kuwaiti dinar to the far less valuable Iraqi dinar.

The new money will be exchanged for old at a one-to-one rate but the dinar is expected to be worth slightly less than its pre-invasion value of \$3.5 when the new rate is set Sunday.

The government ordered new money to be printed to make worthless 350 million dinars (\$1.23 billion) of old Kuwaiti bank notes.

The central bank has distributed the numbers of the stolen notes to commercial banks.

Kuwaitis may withdraw a maximum of 4,000 dinars a month from each account for at least the next three months, bankers say.

The government has promised a cash grant of 500 dinars to every Kuwaiti who stayed in the country during the Iraqi occupation.

Banks were virtually unscathed by the occupation in contrast to other sectors of the economy. The Iraqis blew up about 600 oil wells, mined ports and damaged hotels and government buildings before fleeing Kuwait.

"We thought we would find not even a pen here. We thought they would take everything," said Asousi, but they didn't have time.

Only a few banks will open Sunday because of lack of staff. Asousi said that only four of his bank's 20 branches would open because only 150 of its 720 employees had returned to work.

Banks will open from 10 a.m. to 3 p.m. (0700 to 1200 GMT) but may extend their hours to deal with a rush of customers.

The reopening of the banks could spur a new exodus of Kuwaitis wanting to get out of the country until basic services were restored.

"People who draw money tomorrow will do so to leave Kuwait..." said Asousi.

Walesa wants Americans to invest more in Poland

WASHINGTON (R) — Polish President Lech Walesa, saying he wanted his country to be "the America of the East," Friday

invited U.S. businessmen to Poland to take advantage of a collapsing communist system and a developing market economy.

"You can do business on what is lacking. The (communist) system, believe me, was stupid," said Walesa, who challenged the communists for a decade as Solidarity leader before taking office in January.

"So where else could you do better business?" he said to roaring laughter and applause from 400 businessmen at the U.S. Chamber of Commerce.

Walesa arrived in Washington Tuesday for a one-week trip seeking moral and financial support for his country, which is trying to establish a market economy after decades of communism.

President George Bush welcomed him with the announcement that the United States was forgiving 70 per cent of Polish debt to Washington, going further than other Western countries who had agreed recently to a minimum of 50 per cent.

That move, Walesa said, was a precondition for the U.S. private investment for which he now hopes. So far, he said, the Germans had led the way in investing in Poland. Now he wanted to see some American business.

"We want to be the America of the East," he said, appearing to ditch his notes and speak off the cuff.

Every second company should be American, that is what I want."

To more applause, he announced that as of April 15, Americans would not need visas for Poland.

Poland's privatisation minister, Janusz Lewandowski, told the business crowd that over 200 American companies had already invested in Poland but complained that U.S. equity investment was low, at \$26 million.

Lewandowski, whose official title is ministry of ownership transformation, said Poland wants to reduce the public sector of its economy by 15 per cent this year and 50 per cent within three years.

He also said that Poland would attempt to restore property to who owned it before the country became communist at the end of World War II but said there were financial limits.

"We cannot reconstruct the pre-war property structure but we shall do our best to restore property to its proper owners," he said.

Lewandowski said a comprehensive new investment law would be passed in April or May that would liberalise conditions under which foreigners invest in Poland.

The current requirement of a \$50,000 investment would be lowered to \$1,000, he said.

S. African businessmen want closer relations with black Africa

MBABANE, Swaziland (R) — South African businessmen have pushed for closer ties with black Africa, offering to share their economic wealth in a common market for trade and investment.

"The time has arrived where frontiers should be opened and where we could urge our governments to start breaking down those divergent political barriers that could influence cooperative business efforts," Henni Viljoen, a leading South African businessman, said at the end of a three-day conference with black African business leaders.

Viljoen, deputy president of the South African Chamber of Business, painted the vision of a democratic South Africa freely trading with black states and cooperating in cross-border private capital investment in joint ventures.

He said political changes in South Africa had opened the way for trade with independent Africa, which has previously shunned Africa's economic powerhouse because of its system of racial segregation.

"We in South Africa have lived behind a wall of isolation which was caused by the political system of the past," he told the meeting attended by 15 African countries and representatives of multilateral bodies such as the African Development Bank and the United Nations Development Programme.

"I however believe that the last bastions of the apartheid system will shortly be scrapped which would allow South African businessmen the opportunity of taking up their rightful place as players in the sub-continent," he added.

Business analysts said that, despite an official snub of the conference by the Swaziland government, the businessmen had pulled a political coup by wooing black African business leaders to a meeting to discuss closer economic ties.

Swaziland's King Mswati stayed away from the opening of the conference in a move local businessmen said was aimed at avoiding political embarrassment for the king, the current chairman of the black African regional trade bloc which shuns official ties with Pretoria until apartheid is abolished.

President F.W. de Klerk has pledged to remove by mid-1991 the remaining key laws buttressing apartheid, a move expected to pave the way for the lifting of an international economic embargo imposed on the country.

South Africa already trades with a number of African countries, but most of the business is conducted secretly in breach of sanctions.

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Cinema NIJOM Tel: 675571

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Hanoi escalating Cambodian civil war, Sihanouk says

BANGKOK (AP) — Opposition leader Prince Norodom Sihanouk said Saturday that the Vietnamese government is escalating Cambodia's 12-year civil war by using armoured units and aircraft against Cambodian rebels.

Some of nearly 500 Cambodians who fled to a U.N.-aided refugee camp in Thailand this past week also reported that Cambodian government aircraft were bombing their areas, a U.N. relief official said.

The Communist Khmer Rouge, the largest of the three guerrilla groups, also said Saturday the Vietnamese were launching the air attacks.

There was no immediate government comment on the reports. Air strikes rarely have been reported in the war between the Vietnamese-installed Phnom Penh government and the three guerrilla groups, Vietnam claims it withdrew its last troops from Cambodia in September 1989.

The Khmer Rouge added it has repulsed a series of strong government offensives aimed at recapturing Pailin, a rich gem-mining town in rebel control.

In a statement issued from Peking, where he has a home, Sihanouk said that Vietnamese infantry, armoured units, planes and helicopter gunships were being used to intensify fighting in the towns of Pailin and Thmar Puok and in four government-controlled provinces that are

strongly contested by the rebels. Thmar Puok is the headquarters of the non-Communist Khmer People's National Liberation Front, which is allied with former head of state Sihanouk's forces and the Khmer Rouge in battling Phnom Penh.

Sihanouk asked France, Indonesia, the United Nations Secretary-General Javier Perez de Cuellar and the five permanent members of the U.N. Security Council — Britain, China, France, Soviet Union, and United States — to get Vietnam to withdraw its troops and accept a draft U.N. peace agreement.

France and Indonesia co-chair the International Conference on Cambodia, the forum for the signing of any peace agreement.

The U.N. relief official, who spoke on condition of anonymity, said 495 Cambodians fled to the Khmer Rouge's Site K refugee camp just inside Thailand between Monday and Friday.

"They claim there was some (aerial) bombing in places along highways and Khmer Rouge areas on the other side," he said. "One man claimed he had been in an area where four people got killed and several others injured by the bombings."

Khmer Rouge Radio said Friday that government helicopters began firing at and bombing Khmer Rouge-controlled areas early this month. The areas are

attacked were not specified. The radio broadcast, monitored in Bangkok, said aircraft on bombing missions were struck by guerrilla fire last Sunday, but managed to land.

The liberation front said it stalled the attacks on Thmar Puok last week. The U.N. relief official said large numbers of Thmar Puok area residents have fled to the Site 2 refugee camp, north of Site K.

Both the government and the guerrillas have reported heavy battles in recent months as peace talks have stalled.

In Paris last December, a meeting of six government and six guerrilla representatives, ended without result after discussion of the U.N. plan. Indonesia has offered to hold new talks next month, but no date has been set.

Under the U.N. plan, the four armies would be disbanded and elections held under a U.N.-supervised interim government.

The guerrillas have accepted the plan, but Phnom Penh objects to disarming, saying that it needs to be able to defend itself in case the Khmer Rouge tries to retake control.

Hundreds of thousands died under the radical agricultural policies of the Khmer Rouge, which ruled Cambodia from 1975 until Vietnam invaded in 1978 and installed the current government.

Moscow mayor allows pro-Yeltsin rally

MOSCOW (R) — Moscow's radical mayor has defied the Soviet parliament and given the go-ahead to a rally by reformists in support of leading opposition politician Boris Yeltsin, one of the rally's organisers said Saturday.

The Democratic Russia Movement planned the rally for Thursday to coincide with the start of the congress of the full parliament over which Yeltsin presides.

Hardline Communists who called the congress are expected to use it to try to oust him.

A Democratic Russia spokesman said Moscow's Mayor Gavril Popov authorised the rally despite a resolution from the Supreme Soviet asking the city to ban it because it would disturb public order and the normal working of the capital.

The resolution authorised the Soviet government to take measures to ensure order and safety. Earlier this month tens of thousands of people turned out in Moscow in a similar demonstration in support of Yeltsin.

In Leningrad, the Soviet Union's second city, radicals have called for a general one-hour warning strike Thursday in support of Yeltsin's demand that Soviet President Mikhail Gorbachev resign.

While it was not clear how many would respond to the call, workers in Leningrad have pledged to go on strike if Yeltsin is unseated at the congress.

Yeltsin has raised the stakes in his political battle with Soviet President Mikhail Gorbachev by saying he sees no hope for compromise.

Yeltsin told workers in Leningrad's huge Kirov industrial plant Friday that he was convinced Gorbachev did not want to work with the Russian Federation, by far the most powerful of the 15 republics.

"That's why I distance myself from the policy of the president... that's why your support for me is very important," Yeltsin said to prolonged applause.

Yeltsin, declaring that it was clear there could be no bridging of differences between himself and Gorbachev, spoke confidently and made several attacks on the Soviet president.

He suggested he had drawn considerable comfort from a poll last Sunday which showed most Russians supported the idea of the huge republic having a popularly-elected president.

The Russian leader would be the most likely winner, thereby gaining a power base to challenge Gorbachev's authority and increase the republic's sovereignty. Yeltsin's 70-minute speech marked the end of a troubled week for the Soviet president.

On Sunday Gorbachev received less than overwhelming support in a nationwide referendum for his plan to keep the Soviet Union together as a renewed federation of sovereign republics.

And there are no signs of an early end to a miners' strike which has halted over a quarter of the nation's 600 pits and is threatening to cripple vital industries. Many of the miners are demanding Gorbachev's resignation.

Yeltsin echoed charges by liberals that Gorbachev has moved to the right in recent months, suggesting the Soviet leader was in the grip of those who did not want radical change.

Last month, the Russian leader demanded Gorbachev's resignation and accused him of deceiving the people.

Traore announced a state of emergency and imposed a curfew from 9 p.m. to 5 a.m. in the West African nation's main towns and surrounding areas, where smaller, less violent demonstrations also were reported Friday.

"The current situation demands that security be stepped up," Traore said in a radio broadcast Friday night. "No grievances... can justify the violence we are witnessing."

At the same time Traore expressed his "total readiness" to discuss grievances, and said demands for a multiparty system would be considered by his party in coming days. Critics have said pro-democracy leaders should be consulted to consider reforms.

The Association of African Jurists condemned Friday's "bloody repression" and called for authorities "to put an end to the cycle of violence."

Traore seized power in this former French colony of 8 million people in a 1968 coup. Then, in 1979, he installed himself as a civilian president of a one-party state.

Sri Lankan Tamil rebels halt attacks after heavy death toll

COLOMBO (R) — Sri Lankan Tamil rebels have halted their nightly bombardment of two army camps in the north of the island after suffering heavy casualties, military sources said Saturday.

"Things are quiet. There was no firing last night," a military officer said. "The troops are busy counting the dead."

He said reinforcements had been sent to help about 150 soldiers defending the camps.

More than 300 guerrillas and 23 soldiers have been killed in fierce fighting since Tuesday night, when the Liberation Tigers of Tamil Eelam (LTTE) attacked the camps in Silavathurai and Kokupadayam in the Mannar district on the northwest coast.

Fifty six soldiers were wounded, 15 of them seriously. The number of rebel wounded was not known.

The Tigers, fighting for a separate state in the north and east for

the minority Tamil community, pounded the camps with mortar bombs, small arms fire and grenades for three successive nights.

Military sources said the Mannar district was of strategic importance for the Tigers because it would mark the southern border of the separate state they were trying to carve out.

It also has easy access to south India, which is a major source of weapons and supplies for the rebels.

A curfew is in force in the Mannar district and parts of the surrounding areas of Puttalam and Anuradhapura.

On Thursday the government imposed a curfew in Kilinochchi, north east of Mannar, to prevent the Tigers from sending more fighters from their northern stronghold.

The government has also imposed an indefinite curfew in the northeastern Mullaitivu district to

prevent rebels fleeing to that area, military sources said.

"Some of them (the Tigers) are just untrained kids. They are carrying guns bigger than themselves and grenades the size of their fists," the army officer said.

Military sources said five rebels were killed by troops near the Palaly Air Base in the northern Jaffna peninsula.

In Kandy, President Ranasinghe Premadasa called on the Tigers to lay down their arms and contest forthcoming elections for the northeast provincial council.

"The doors are still open for the (Tigers) to enter the democratic mainstream," he said Friday.

He said the Tigers should fight the elections and restore peace and order in the area.

But they had to give up their weapons so that other political parties could contest the polls, Premadasa said.

S. Korean farmers and students clash with police

SEOUL (R) — Hundreds of South Korean farmers and students hurled firebombs and stones at riot police Saturday in protests over the government's agricultural policies, witnesses said.

A Reuters photographer on the scene said more than 1,000 riot police raided Chonnam University in the southern city of Kwangju just before some 3,000 farmers and students began a rally in protest against the further opening of the country's agricultural markets.

He said police fired volleys of tear gas. Protesters chanting "Block market opening" and "Down with (President) Roh Tae-woo," strongly resisted by pelting police with hundreds of firebombs and stones.

Shouting "Yankes go home," the protesters demanded the withdrawal of U.S. forces from South Korea. The United States is seen as the mastermind in

forcing Seoul to open up the agricultural markets.

Several police, withdrawing in the face of strong resistance, were beaten up by protesters with sticks, the photographer said. One was seized and stripped of his uniform and helmet before being released.

Some protesters ignited petrol scattered around the main gate to block the expected police attack, he said. Nin reports of injuries or arrests were immediately available.

Dozens of students smashed armoured tear gas-firing vehicles with iron pipes during the police attack.

Members of the Federation of National Farmers Associations last week gave notice of their intention to hold the rally despite a government warning.

Protesters dispersed after the police charged twice more into the Chonnam campus later Saturday, the photographer said.

Liberian talks hit a snag over guerrilla proposal

MONROVIA (R) — Liberia's national peace conference nearly collapsed Saturday after rebels proposed a tripartite government.

The proposal by Charles Taylor's National Patriotic Front of Liberia brought cries of outrage from other delegates, who see the conference as a last chance to end 15 months of civil war.

"The proposal for a triumvirate presidency is totally unworkable," said one delegate who asked not to be named.

Joshua Iroha, ambassador of the Economic Community of West African States (ECOWAS) which has a 7,000-man peacekeeping force in Liberia, said the ECOWAS peace plan governing the talks ruled out a triumvirate.

Punitive damages ruled out in international flights

NEW YORK — The survivors of international plane crashes and the families of those killed in such disasters are not eligible for punitive damages, a U.S. appeals court ruled.

In a case brought by the families of those who died in the crash of a Pan Am jet in Lockerbie, Scotland, in 1988, the court of appeals ruled that the Warsaw Convention, the treaty that governs airline travel, does not provide for punitive damages.

It does allow compensatory damages to cover the actual costs of injuries. Punitive damages punish the carrier to deter wrongdoing.

Two lower court judges in New York had issued conflicting rulings on the punitive damages issue. The appeals court upheld one judge's finding that plaintiffs in the Lockerbie case could not seek punitive damages.

Lawyers said they would appeal to the U.S. Supreme Court.

A spokeswoman for Pan Am

said the carrier was "extremely gratified" by the decision.

"Claims for punitive damages not only pose a significant exposure for Pan Am but also result in extensive, time-consuming litigation which harms both the airlines and relatives of passengers killed or injured in aircraft accidents," said Elizabeth Hlinko.

The Warsaw Convention agreement, signed in 1929, limits an airline's liability in international disasters to \$75,000 per plaintiff unless "wilful misconduct" can be proven. However, it does not specifically state whether punitive damage claims are allowed.

The appeals court said: "Although the convention is silent on this subject... we are persuaded that the purposes for which the convention was created are not consistent with an award of punitive damages."

The appeals court said allowing punitive damages would "hobble" most of the convention's aims.

Salvador rightists lose majority in parliament

SAN SALVADOR (R) — El Salvador's ruling right-wing ARENA Party has won this month's legislative elections but lost its majority in the National Assembly, final official results announced late Friday showed.

The results from the March 10 elections showed that formerly exiled leftist politicians will enter the expanded 84-seat legislature for the first time in 11 years of civil war.

The results were announced after a marathon count tainted by charges of fraud and incompetence. The new assembly will convene on May 1.

The ARENA (Nationalist Republican Alliance) Party took 39 seats in the assembly, polling 44.3 per cent of the 1.05 million valid votes cast, according to Central Election Council (CCE) figures.

The elections were the first since the war began that were not sabotaged by leftist guerrillas of the Farabundo Marti National

Liberation Front (FMLN).

Politicians on all sides have said the presence of rebel-backed leftist parties in parliament is likely to aid United Nations-sponsored efforts to negotiate an end to the conflict, which has claimed some 75,000 lives.

The opposition Christian Democrat Party of a former president, the late Jose Napoleon Duarte, finished second, taking 26 seats with 28 per cent of the vote.

A strong show of support for the newly participating left nevertheless boosted Democratic Convergence — a moderate leftist coalition led by Ruben Zamora, who returned to El Salvador from exile in 1987 — to 12 per cent of the vote from 3.8 per cent in presidential elections in 1989.

Zamora, citing preliminary returns, had claimed the elections made convergence the third strongest political force in the country.

But the final tally of assembly seats, based on a complex proportional representation system, placed Convergence fourth with eight, behind the ARENA-allied National Conciliation Party (PCN) with nine.

Over 200 international observers, including a 160-strong team from the Organisation of American States (OAS), monitored the elections.

Many denounced isolated attempts at fraud and criticised the CCE for organisational problems, particularly the late opening of polling booths and the disappearance of thousands of voters from electoral rolls, but gave the elections a more-or-less clean bill of health.

Zamora and other opposition politicians went further, charging ARENA and the CCE with a deliberate attempt to reduce the left's share of the vote and manipulate election returns to benefit the ARENA-allied PCN.

Quebec panel split on future of province

MONTREAL (R) — A high-level commission appointed to chart the future course of Quebec is deeply divided between members who want independence and those who want a last try at a united Canada.

The divisions were revealed when some of the 36 members on the panel broke their silence about the closed-door discussions.

The federalists on the panel, aligned with the ruling Liberal Party elected as the provincial government two years ago, want to leave the door open to more negotiations between the French-speaking province and the rest of Canada.

The separatist camp, made up of opposition Parti Quebecois members and labour leaders, insist on a popular referendum on independence no later than next year.

The commission's recommendation is due next Thursday and a failure to reach a consensus would send the rest of the country a mixed signal.

It would also give Quebec Premier Robert Bourassa, who recently reaffirmed his federalist stance, a freer hand in shaping his policies for the province.

A major point of contention is the kind of referendum that should be held.

"The referendum should be held on sovereignty, period," Parti Quebecois member Jacques Brassard told reporters.

Polls show two-thirds of Quebec's 6.5 million people favour political independence for the province, retaining only economic ties with the rest of Canada.

The separatist sentiment reflects a widely held view that Quebec needs more control over its affairs, particularly matters relating to immigration, language and the preservation of its French-Canadian culture.

At the Liberal convention earlier this month, the party led by Bourassa agreed to hold a vote by the autumn of 1992 unless the federal government agreed to transfer a wide range of federal powers to Quebec. But the Liberal position left room for negotiations with Canada.

"Our first choice is to enable Quebec to develop within a federal structure," Bourassa told the convention.

"Most of the delegates here don't want one of the greatest countries in the world split into three territories: Canada east, Canada west and Quebec," he said.

OCE chairman Jaime Romero Ventura, speaking on television after announcing the final results, denied the charges.

"There were human errors and technical failings, but never bad faith on our part, and less... an electoral fraud," he said. "It only remains to congratulate the Salvadorean people, the great winner of these elections."

Some 2.18 million Salvadoreans were eligible to vote in the March 10 polls, and Romero said the final turnout was 53 per cent, marginally reversing a decade-old pattern of rising abstention.

El Salvador has a population of some 5.5 million.

The remaining two seats were shared by the Communist Nationalist Democratic Union, taking part in its first elections since 1977, and the Authentic Christian Movement, a splinter group of the Christian Democrats.

COLUMN

Teacher convicted in killing husband

EXETER, New Hampshire (AP) — A judge sentenced a high school instructor to life in prison without parole following a sensational trial in which she was convicted of conspiracy for manipulating her student-lover into murdering her husband. Pamela Smart, 23, stood motionless as the superior court jury foreman pronounced her guilty of murder-conspiracy and being an accomplice to murder. Judith Smart, who cried out as each verdict in her son's death was read, said afterward, "she got what she deserved." Gregg Smart, a 24-year-old insurance agent, was murdered six days before his first wedding anniversary. The jury, which heard three weeks of testimony, deliberated 12 hours over three days before returning its verdict. Smart also was convicted of witness-tampering for encouraging her student-lover to lie to police. Rockingham County superior court Judge Douglas Gray immediately announced the mandatory life sentence for the accomplice-to-murder charge. An appeal is expected.

2-headed baby born in Mexico

MEXICO CITY (R) — A baby girl was born with two heads in Mexico's central state of Aguascalientes the Mexican News Agency Notimex reported. It said the girl, who also had two spines, suffered breathing problems and doctors would know little about her chances of survival before Monday. Hospital spokesmen could not immediately be reached for comment.

Fetus is not a legal person — Canadian court

OTTAWA (AP) — Canada's supreme court ruled that a fetus is not legally a person and has no guarantee of life under the nation's criminal code. By unanimous vote, the nine judges decided that two Vancouver midwives cannot be convicted of negligence for allegedly causing the death of a stillborn infant during a 1985 home birth. The decision has implications far beyond the issue of medical negligence, touching on the legal debate over abortion as well as the growing practice of midwifery. It was the latest in a series of rulings in which the high court has rejected or refused to consider assertions of fetal rights. In Thursday's ruling, chief Justice Antonio Lamer, writing for the court, said a fetus cannot be considered a distinct person for purposes of a negligence prosecution. The case was a victory for Mary Sullivan and Gloria Lemay, the midwives accused of manslaughter, the home birth. Sullivan and Lemay cannot be convicted of criminal negligence causing death to another person, Lamer concluded. However, Thursday's judgment is confined to criminal law and does not end the wider legal controversy over abortion.

Some sunscreens 'may promote skin cancer'

WASHINGTON (AP) — A consumer group has said that some sunscreens and cosmetics contain an ingredient that can promote cancerous skin tumors and it called on the government to halt their sale. "Ironically, some sunscreens lotions that consumers apply to prevent skin cancer may increase the likelihood of forming cancerous skin tumors," said Mary Ellen Fise, product safety director for the Consumer Federation of America. The federation said more than a dozen cosmetic products have been sold containing urocanic acid, which it said has the potential in sunlight to promote the growth of tumors by suppressing the immune system. The federation, joined by two research scientists at the George Washington University Medical Centre, petitioned the Food and Drug Administration to ban sales of cosmetics that contain urocanic acid. "Based on our original research, now supported by other laboratories, it is our scientific opinion that any benefit gained by inclusion of urocanic acid in cosmetics is far outweighed by the potential risks," said Dr. Edward Defabo. The other scientist to join the petition was Dr. Frances Noonan. The non-profit consumer federation said urocanic acid was recently banned for cosmetic use in Australia and products containing it were removed from shelves in Singapore, apparently voluntarily by cosmetic manufacturers.